

INDEPENDENT AUDITOR'S REPORT

To The Members of Arvind Youth Brands Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Arvind Youth Brands Private Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexure thereof, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The financial statements of the Company for the year ended March 31, 2024, were audited by predecessor auditor who has expressed an unmodified opinion on the financial statement as per their report dated June 21, 2024.

Our opinion on financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 25 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 38(d)(i) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 38(d)(ii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

Additionally audit trail has been preserved by the Company as per the statutory requirements for record retention, as stated in Note 37 of the financial statement.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval

(Partner)

(Membership No. 106189)

(UDIN: 25106189BMNRJC7627)

Place: Ahmedabad

Date: May 16, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of Arvind Youth Brands Private Limited (the "Company") as at March 31, 2025 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on "the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

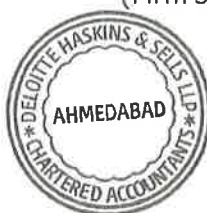
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Kartikeya Raval

Kartikeya Raval

(Partner)

(Membership No. 106189)

(UDIN: 25106189BMNRJC7627)

Place: Ahmedabad

Date: May 16, 2025

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and hence reporting under clause (i)(c) of the Order is not applicable.
- (d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for stock held with third parties and Goods in Transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, including the revised submissions made by the Company to its lead bankers based on closure of books of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.



- (iii) (a) The Company has provided loans during the year and details of which are given below:

(Rs. In Lakhs)	
Particulars	Loans
Aggregate amount granted / provided during the year:	
To Employees	6.30
Balance outstanding as at balance sheet date in respect of above cases:	
To Employees	5.12

The Company has not provided any advances in the nature of loans, guarantee or security to any other entity during the year.

- (b) The terms and conditions of the grant of the above-mentioned loans during the year are, in our opinion, not prejudicial to the Company's interest.
- (c) In respect of loans granted, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amounts and receipt of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable to the Company.



(vii) In respect of statutory dues:

- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025 on account of disputes are given below:

(Rs. In Lakhs)

Name of Statute	Nature of Dues	Amount	Amount unpaid	Period to which the Amount Relates	Forum where Dispute is pending
The Income Tax Act, 1961	Income Tax	454.81	454.81	2021-22	Commissioner of Income Tax Appeals
Goods & Services Tax Act, 2017	Goods & Service Tax	371.55	371.55	2020-21	Joint Commissioner of Karnataka State Tax (Appeals)

The above-mentioned figures represent the unpaid amount against disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have not been used during the year for long-term purposes by the Company.



- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2025.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.



- (xvii) The Company has incurred cash losses amounting to INR 1378.02 lakhs during the year financial year under audit and INR 3076.55 lakhs in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report which is not mitigated (Refer note 33 of financial statement) indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-10018)



Kartikeya Raval

Kartikeya Raval

(Partner)

(Membership No. 106189)

(UDIN: 25106189BMNRJC7627)

Place: Ahmedabad

Date: May 16, 2025

Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Balance Sheet as at March 31, 2025

		Rs. In Lakhs	
		As at	As at
Particulars	Notes	March 31, 2025	March 31, 2024
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	1,093.78	788.93
(b) Right-of-use assets	31	4,654.79	6,506.45
(c) Intangible assets	6	0.06	0.30
(d) Financial assets			
(i) Other financial assets	7 (e)	487.38	443.65
(e) Deferred tax assets (net)	24 B	623.61	623.61
(f) Non-Current tax assets (net)	10 (a)	128.15	81.76
Total Non-current Assets		6,987.77	8,444.70
II. Current assets			
(a) Inventories	9	9,521.42	13,431.99
(b) Financial assets			
(i) Trade receivables	7 (a)	12,317.26	6,566.43
(ii) Cash and cash equivalent	7 (b)	27.44	58.38
(iii) Bank Balances other than (ii) above	7 (c)	101.58	22.70
(iv) Loans	7 (d)	5.12	5.40
(v) Others financial assets	7 (e)	464.65	1,492.68
(c) Other current assets	8	6,711.72	4,635.27
Total Current Assets		29,149.19	26,212.85
Total Assets		36,136.96	34,657.55
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11A	11,270.15	11,270.15
(b) Compulsory Convertible Preference Shares	11B	14,522.82	14,522.82
(c) Other equity	12	(21,092.15)	(19,331.60)
Total Equity		4,700.82	6,461.37
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	31	3,692.07	5,631.37
(ii) Other financial liabilities	13 (c)	1,241.13	1,567.50
(b) Provisions	14	33.26	80.56
Total Non-current Liabilities		4,966.46	7,279.43
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	10,314.39	7,674.38
(ii) Lease Liabilities	31	1,622.16	1,491.13
(iii) Trade payables	13 (b)		
- Total outstanding dues of micro enterprises and small enterprises		1,180.95	709.44
- Total outstanding dues of creditors other than micro enterprises and small enterprises		12,445.40	10,180.72
(iv) Other financial liabilities	13 (c)	656.83	439.69
(b) Other current liabilities	15	234.97	363.67
(c) Provisions	14	14.98	20.94
(d) Current tax liabilities (net)	10 (b)	-	36.78
Total Current Liabilities		26,469.68	20,916.75
Total Equity and Liabilities		36,136.96	34,657.55

Material Accounting Policies

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The accompanying notes are an integral part of these Financial Statements.

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Kartikeya Raval
Partner

Place : Ahmedabad
Date : May 16, 2025



For and on behalf of the board of directors of
Arvind Youth Brands Private Limited

Girdhar Chitlangia
Girdhar Chitlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 16, 2025

Iris Gustav
Iris Gustav
Company Secretary

Place : Bengaluru
Date : May 16, 2025

Sharon Pais
Sharon Pais
Director
(DIN: 09200488)

Place : Bengaluru
Date : May 16, 2025

Nikhil Agarwal
Nikhil Agarwal
Chief Financial Officer

Place : Bengaluru
Date : May 16, 2025



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Statement of Profit and Loss for the year ended March 31, 2025

(Rs. In lakhs except per share data)

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024
I. Income			
Revenue from operations			
Sale of Products	16	43,214.92	45,823.77
Operating Income	16	1.30	0.17
Revenue from operations		43,216.22	45,823.94
Other income	17	225.16	262.87
Total income (I)		43,441.38	46,086.81
II. Expenses			
Purchases of stock-in-trade	18	23,832.84	23,281.31
Changes in inventories of stock-in-trade including Returnable Assets	19	1,234.91	2,802.02
Employee benefits expense	20	1,575.61	2,069.46
Finance costs	21	2,221.31	2,109.71
Depreciation and amortisation expense	22	2,075.00	2,150.36
Other expenses	23	14,275.95	17,365.29
Total expenses (II)		45,215.62	49,778.15
III. (Loss) before tax (I-II)		(1,774.24)	(3,691.34)
IV. Tax (Credit) / Expense	24		
Current Tax Charge		-	-
Deferred Tax Charge / (Credit)		(2.16)	56.45
Total tax expense		(2.16)	56.45
V. (Loss) for the year (III-IV)		(1,772.08)	(3,747.79)
VI. Other comprehensive Income / (Loss)			
Items that will not to be reclassified to profit or loss:	28		
Re-measurement loss on defined benefit plans		8.59	(24.10)
Income tax effect on above		(2.16)	6.06
Other comprehensive Income /(Loss) for the year (Net of tax)		6.43	(18.04)
VII. Total comprehensive (loss) for the year (V+VI)		(1,765.65)	(3,765.83)
VIII. Earnings per equity share			
Nominal Value per share - Rs. 10/-	30		
Basic - Rs.		(1.08)	(2.29)
Diluted - Rs.		(1.08)	(2.29)
Material Accounting Policies	3		

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikya Raval

Kartikya Raval
Partner

Place : Ahmedabad
Date : May 16, 2025



For and on behalf of the board of directors of
Arvind Youth Brands Private Limited

Rishi
Girdhar Chitlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 16, 2025

Iris Gustuv
Iris Gustuv
Company Secretary

Place : Bengaluru
Date : May 16, 2025

Sharon Pais
Sharon Pais
Director
(DIN: 09200488)

Place : Bengaluru
Date : May 16, 2025

Nikhil Agarwal
Nikhil Agarwal
Chief Financial Officer

Place : Bengaluru
Date : May 16, 2025



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Statement of Changes in Equity for the year ended March 31, 2025

A. Equity share capital

Balance	Rs. In Lakhs Note 11A
As at April 01, 2023	11,270.15
Changes during the year in Equity Share capital	-
As at March 31, 2024	11,270.15
Changes during the year in Equity Share capital	-
As at March 31, 2025	11,270.15

B. Compulsory Convertible Preference Shares

Balance	Rs. In Lakhs Note 11B
As at April 01, 2023	14,522.82
Changes during the year	-
As at March 31, 2024	14,522.82
Changes during the year	-
As at March 31, 2025	14,522.82

C. Other equity

Rs. In Lakhs

Particulars	Reserves and Surplus			Total Other Equity
	Contribution from Parent for ESOP	Retained Earnings	Capital Reserve	
	Note 12	Note 12	Note 12	
Balance as at April 01, 2023	30.69	(3,904.18)	(11,701.09)	(15,574.58)
(Loss) for the year	-	(3,747.79)	-	(3,747.79)
Other comprehensive (loss) for the year	-	(18.04)	-	(18.04)
Total Comprehensive (loss) for the year	-	(3,765.83)	-	(3,765.83)
Contribution received during the year (refer note 36)	8.81	-	-	8.81
Balance as at March 31, 2024	39.50	(7,670.01)	(11,701.09)	(19,331.60)
(Loss) for the year	-	(1,772.08)	-	(1,772.08)
Other comprehensive income / (loss) for the year	-	6.43	-	6.43
Total Comprehensive (loss) for the year	-	(1,765.65)	-	(1,765.65)
Contribution received during the year (refer note 36)	5.10	-	-	5.10
Balance as at March 31, 2025	44.60	(9,435.66)	(11,701.09)	(21,092.15)

The accompanying notes are an integral part of these Financial Statements.

As per our report of even date attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Kartikeya Raval
Partner



Place : Ahmedabad
Date : May 16, 2025

For and on behalf of the board of directors of
Arvind Youth Brands Private Limited

Girdhar Chitlangia
Girdhar Chitlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 16, 2025

Iris Gustuv
Iris Gustuv
Company Secretary

Place : Bengaluru
Date : May 16, 2025

Sharon Pais
Sharon Pais
Director
(DIN: 09200488)

Place : Bengaluru
Date : May 16, 2025

Nikhil Agarwal
Nikhil Agarwal
Chief Financial Officer

Place : Bengaluru
Date : May 16, 2025



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Statement of Cash Flows for the year ended March 31, 2025

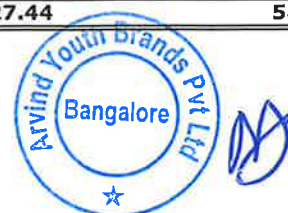
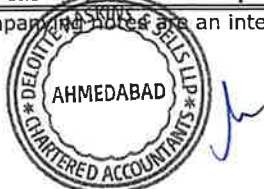
Rs. In Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A Operating activities		
Loss Before tax	(1,774.24)	(3,691.34)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	2,075.00	2,150.36
Finance Costs	2,221.31	2,109.71
Interest Income	(3.84)	(27.03)
Interest Income on financial assets measured at Fair Value	(47.47)	(45.94)
Gain on reassessment of lease liabilities	(164.63)	(73.00)
Provision for doubtful debts written back	-	(85.42)
Allowance for doubtful debts and advances (net)	37.26	-
Unclaimed liability written off	(3.17)	-
(Profit) / Loss on Foreign exchange fluctuation (Net)	(17.70)	(2.54)
Loss/ (Gain) of mark to market of derivative financial instrument	10.70	-
Net Loss on disposal of property plant and equipment and other intangible assets	36.83	54.25
Provision for Non-moving Inventory and Returnable assets	387.58	(1,066.12)
Share based payment expense	5.10	8.81
Operating Profit before Working Capital Changes	2,762.73	(668.26)
Adjustments for changes in Working Capital:		
(Increase) / Decrease in Inventories	3,938.45	4,047.10
(Increase) / Decrease in Trade receivables	(5,788.09)	2,179.63
(Increase) / Decrease in Other assets	(2,491.88)	804.29
(Increase) / Decrease in Other financial assets	978.94	(1,486.94)
Increase / (Decrease) in Trade payables	2,757.06	(121.68)
Increase / (Decrease) in Other liabilities (refer note (a) and (b) below)	(128.71)	(225.73)
Increase / (Decrease) in Other financial liabilities	(82.15)	1,687.23
Increase / (Decrease) in Provisions	(44.67)	(14.42)
Net Changes in Working Capital	(861.05)	6,869.48
Cash Generated from Operations	1,901.68	6,201.22
Direct Taxes paid (Net of Income Tax refund)	(85.33)	(34.96)
Net Cash flow (used in) / from Operating Activities (A)	1,816.35	6,166.26
B Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment (including Capital advance and Capital creditors)	(605.16)	(680.63)
Proceeds from disposal of Property, Plant and Equipment	0.73	1.72
Changes in other bank balances not considered as cash and cash equivalents	(73.88)	159.83
Interest received	2.03	31.57
Net Cash flow (used in) / from Investing Activities (B)	(676.28)	(487.51)
C Cash Flow from Financing Activities		
Proceeds of short term borrowings (net)	140.01	1,641.68
Proceeds (Repayment) of Intercompany deposit (ICD)	2,500.00	(4,000.00)
(Repayment) of Lease Liabilities (refer note 31 (c))	(1,570.62)	(1,485.84)
(Repayment) of Interest amount of Lease Liabilities (refer note 31 (c))	(708.36)	(695.85)
Interest and Other Borrowing Cost/Discounting charges	(1,532.04)	(1,291.55)
Net Cash flow (used in) / from Financing Activities (C)	(1,171.01)	(5,831.56)
Net (Decrease) / Increase in cash & cash equivalents (A+B+C)	(30.94)	(152.81)
Cash & Cash equivalent at the beginning of the year	58.38	211.19
Cash & Cash equivalent at the end of the year	27.44	58.38
Figures in brackets indicate outflows.		

Reconciliation of Cash and Cash Equivalents

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash and cash equivalents comprise of:		
Cash on Hand	-	-
Balances with Banks - In Current accounts	27.44	58.38
Cash and cash equivalents as per Balance Sheet (Note 7b)	27.44	58.38

The accompanying notes are an integral part of these Financial Statements.



Notes:

- i) The above statement of cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows"
ii) Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)
iii) Ind AS 7 requires entities to provide disclosure of changes in liabilities arising from financing activities, including both changes arising from cash and non-cash changes. The information for current year and previous period as follow:

					Rs. In Lakhs
Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2024	Net cash flows	Non Cash Changes	As at March 31, 2025
				Other Changes	
Borrowings:					
Short term borrowings	13 (a)	7,674.38	2,640.01	-	10,314.39
Interest accrued on borrowings and Trade payables*	13 (d)	408.39	(1,532.04)	1,512.94	389.29
Lease Liabilities#	31	7,122.50	(2,278.98)	470.71	5,314.23
Total		15,205.27	(1,171.01)	1,983.65	16,017.91

					Rs. In Lakhs
Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2023	Net cash flows	Non Cash Changes	As at March 31, 2024
				Other Changes	
Borrowings:					
Short term borrowings	13 (a)	6,032.70	1,641.68	-	7,674.38
Interest accrued on borrowings and Trade payables*	13 (d)	286.10	(1,291.55)	1,413.84	408.39
Lease Liabilities#	31	5,529.75	(2,181.69)	3,774.44	7,122.50
Total		11,848.55	(1,831.56)	5,188.28	15,205.27

* Other Changes in Interest payables relates to amount charged / offered in statement of profit or loss for the year.

Other Changes in Lease Liabilities relates to movement in the assets taken on lease and interest charged for the year on outstanding lease liabilities.

Notes:

- (a) During the previous year, the Company and Arvind Lifestyle Brands Limited, the holding Company, has agreed to convert trade dues of Rs. 4,000 lakhs payable by the Company into Inter-Corporate Deposits. The said transaction has been accounted as Non-Cash transaction and has not disclosed in Cash flow statement (Financing Activities) for the year ended March 31, 2024.

Also, during the previous year amount of Rs.16,317 lakhs receivable and payable from related parties are net settled and has been accounted as Non-Cash Transactions and not disclosed above.

- (b) During the previous year, based on mutual arrangement between the Company and Franchisee Partner, the Company has settled sales consideration lying with Stores / Franchisee (form part of other receivables towards tender cash) of Rs.255.69 lakhs against Rs. 229.06 lakhs liabilities towards Commission Payables to Franchisee and Rs.26.63 lakhs security deposits collected from Franchisee. The said transaction has been accounted as Non-Cash transaction and has not disclosed in Cash flow statement for the year ended March 31, 2024.

As per our report of even date attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Kartikeya Raval
Kartikeya Raval
Partner



Place : Ahmedabad
Date : May 16, 2025

For and on behalf of the board of directors of
Arvind Youth Brands Private Limited

Girdhar Chitlangia
Girdhar Chitlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 16, 2025

Iris Gustuv
Iris Gustuv
Company Secretary

Place : Bengaluru
Date : May 16, 2025

Sharon Pais

Sharon Pais
Director
(DIN: 09200488)

Place : Bengaluru
Date : May 16, 2025

Nikhil Agarwal
Nikhil Agarwal
Chief Financial Officer

Place : Bengaluru
Date : May 16, 2025



1. Corporate Information

Arvind Youth Brands Private Limited ("the Company") is a private limited company incorporated on February 27, 2020 in India under the provisions of the Companies Act, 2013 and has its registered office at "Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380025", having CIN U52100GJ2020PTC112995. The Company owns and markets 'Flying Machine' branded apparel and other product including accessories business in India and runs a chain of apparels and accessories retail stores in India.

The financial statements were approved by Board of Directors in the meeting held on May 16, 2025.

2. Statement of Compliance and Basis of Preparation

Basis of Preparation and Presentation and Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 ("the Act"), (Ind AS compliant Schedule III) as amended, as applicable to the Financial Statements and other accounting principles generally accepted in India.

The Financial Statements have been prepared on a historical cost basis except for certain assets and liabilities measured at fair value as specified below in accordance with the relevant Ind AS -

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value;

In addition, the Financial Statements are presented in Indian Rupees (Rs.) which is also the functional currency of the Company and all values are rounded to the nearest lacs (Rs. 00,000) except when otherwise indicated.

3. Summary of Material Accounting Policies

The following are the material accounting policies of the Company in preparing its financial statements consistently to the all the periods presented:

3.1. Current versus non-current classification

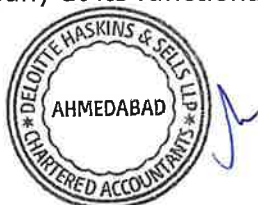
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the Balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.2. Foreign currencies translations and transactions

The Company's financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional and presentation currency.

Transactions in currencies other than the entity's functional currency are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.



Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Exchange differences arising on settlement of such transactions and on translation of monetary assets and liabilities denominated in foreign currency at year end exchange rate are recognised in profit or loss.

In determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the derecognition of a non-monetary assets or non-monetary liability relating to advance consideration, the date of transaction is the date on which the Company initially recognise the non-monetary assets or non-monetary liabilities arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

3.3. Fair value measurement

The Company measures or disclose certain financial assets and liabilities at fair value at each balance sheet date.

The Company's management determines the policies and procedures for both recurring fair value measurement and unquoted financial assets measured at fair value.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes

- Significant accounting judgements, estimates and assumptions (Refer Note 3.18)
- Quantitative disclosures of fair value of financial assets and liabilities (Refer Note 32)

3.4. Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria are met. When significant parts of Property, plant and



equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent cost are included in the assets carrying amount or recognised as a separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. The carrying amount of any components accounted for as a separate asset is de-recognised when replaced. Subsequent costs are depreciated over the residual life of the respective assets. All other repair and maintenance costs are recognised in statement of profit and loss, during the reporting period in which they are incurred.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation on property plant and equipment is provided on a straight-line basis using useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for following assets category mentioned below for which useful lives estimated by the management based on technical assessment made by technical expert. The management believes that estimated useful life reflect fair approximation of the period over which the assets are likely to be used.

Asset	Estimated Useful Life
Plant & Equipments	6 to 15 Years
Office Equipment	6 to 8 Years
Furniture & Fixture	6 to 9 Years
Vehicles	4 Years

However, Leasehold Improvements have been depreciated considering the lease term or useful life whichever is lower.

Based on management's assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date of the assets ready for use or procured.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



3.5. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

Company as Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets which primarily consist of leases for Stores/Showrooms at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, whichever is shorter.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Refer note 3.18 (ix) for judgement and estimates for useful life of right of use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The right-of-use asset are also subject to impairment. Refer note 3.8 for impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. Subsequently, the lease liability is measured at amortised cost using the effective



interest method. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. For a lease modification that is not a separate lease, at the effective date of the modification, the lessee accounts for the lease modification by remeasuring the lease liability using a discount rate determined at that date and the lessee makes a corresponding adjustment to the right-of-use asset and corresponding adjustment is made to the carrying amount of right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. Lease payments have been classified as financing activities.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Stores or Showrooms (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.6. Borrowing cost

Borrowing cost includes interest expense and other cost that an company incurs in connection with borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs as per Effective Interest Rate (EIR).

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

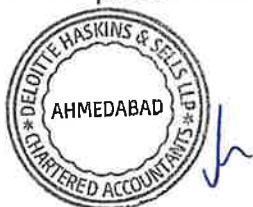
All other borrowing costs are expensed in the period in which they occur in the statement of profit and loss.

3.7. Inventories

Stock-in-trade is valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Stock in Trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.



Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete and defective inventory are duly provided for, basis the management estimates (Refer Note 3.18 (viii)).

3.8. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In such case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

3.9. Revenue Recognition

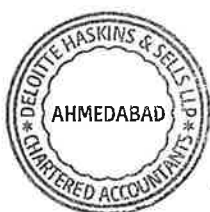
The Company derives revenues primarily from sale of traded goods. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements.

a) Revenue from Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, i.e., generally on delivery of the goods and when the property in goods and control are transferred for a price and no effective ownership control is retained. Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances trade discounts and volume rebates, taking into accounts contractually defined terms of payment excluding taxes and duties collected on behalf of the government. In case of sales made through franchisee revenue is measured on gross basis and consideration payable to franchisee is recognised as expenses. Goods and Services (GST) is not received by the Company in its own accounts. Rather, it is collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

b) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will



not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

i. Rights of return Assets and refund Liabilities

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price) and measured at the amount the Company ultimately expects it will have to return to the customers. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer and is measured at the carrying amount of the inventory less any expected cost to recover the goods, including any potential decrease in the value of the returned goods. The Company updates its estimates of refund liabilities and returned assets at the end of each reporting period.

ii. Discounts

Discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Company applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

iii. Sale of goods – customer loyalty programme (deferred revenue)

The Company operates a loyalty point programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed. Outstanding liabilities pertaining to unredeemed points as at year end are disclosed under Other Current Liabilities.

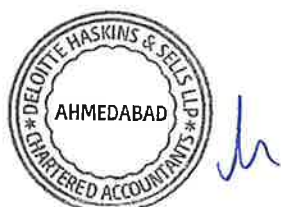
c) Contract balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customers).



d) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). Interest income is included in other income in the statement of profit or loss.

3.10. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and Financial Liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value with the exception of trade receivables that do not contain significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss. Trade receivables that do not contain significant financing component or for which the Company has applied the practical expedient, are measured at the transaction price determined under Ind AS 115. Refer note 3.9 – Revenue Recognition.

a) Financial assets

i. Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income (OCI).

Business model Assessment

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

The Company makes an assessment of the objectives of the business model in which a financial assets is held because it reflects the way business is managed and information is provided to the management of the management of the Company. The assessment of business model comprises the stated policies and objectives of the financial assets, management's strategy for holding the financial assets, the risk that affects the performance etc. Further, management also evaluates whether the contractual cashflow are solely payment of principal and interest considering the contractual terms of the instrument. Financial assets with cashflow that are not SPPI are classified and measured at fair value through profit / loss, irrespective of business model. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



ii. Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified based on assessment of business model in which they are held. This assessment is done for portfolio of financial assets. The relevant categories are as follows:

➤ Financial assets at amortised cost (Debt Instruments)

A financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and
- the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

➤ Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets that meet the criteria for initial recognition at FVTOCI are remeasured at fair value at the end of each reporting date through other comprehensive income (OCI).

➤ Financial assets at fair value through profit or loss (FVTPL)

A FVTPL is a residual category for financial assets i.e., any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

iii. Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial assets or part of a group of similar financial assets) is derecognised when:

- the contractual rights to the cash flows from the assets have expired, or
- the Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and consideration received is recognised in the statement of profit and loss.



iv. Impairment of financial assets

The Company applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

➤ **ECL for Trade Receivables and Contract Assets**

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company has established a provision matrix that is based on its historical credit loss experience representing the lifetime cash shortfall that will result if defaults occurs within 12 months after the reporting date and thus are not cash shortfall that are predicted over the next 12 months but credit losses, adjusted for forward-looking factors specific to the debtors and the economic environment.

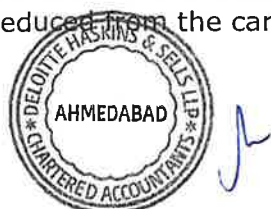
➤ **ECL for Other Financial Assets**

The Company measures the loss allowance for a financial instrument other than trade receivables and assets within the scope of Ind AS 115, at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows including based on reconciliation of balance with the customers.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Balance Sheet.



Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – See note 3.18
- Trade receivables and contract assets – See note 7(a)

b) Classification as Financial Liabilities or Equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Compound financial instruments are separated into liability and equity components based on the terms of the contract.

i. Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

ii. Compound Financial Instruments:

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date (Refer 3.11. Accounting Policy on Classification of Convertible preference shares).

c) Financial liabilities:

➤ **Initial recognition and measurement of financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, lease liabilities and other payables, as appropriate. All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

➤ **Subsequent measurement of financial liabilities**

The measurement of financial liabilities depends on their classification, as described below:

• **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.



Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

• **Financial Liabilities subsequently measured at amortised cost:**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition. This category is most relevant to the Company.

Trade Credit for Banks:

The Company enters into arrangements whereby the suppliers of raw material receive upfront payment from banks and /or other financial institutions against bills acceptances for the period 100 to 180 from the date of invoice by the Company. The banks and /or other financial institutions are subsequently repaid (alongwith discounting charges) by the Company on bills acceptance maturity date providing working capital benefits. These arrangements normally settled within 180 days, which is within working capital cycle of the Company. The discounting charge on these arrangement is borne by the Company and recognised over the tenure of facility as finance cost in the Statement of Profit and Loss.

d) Derecognition of financial liabilities:

A financial liability (or a part of a financial liability) is derecognised when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



e) Reclassification of Financial Assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations.

If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

f) Offsetting financial instruments:

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

3.11. Compulsory Convertible Preference Shares (CCPS)

CCPS are classified into equity or financial liabilities based on the terms of the Contract.

During the previous year, CCPS has been classified as 'Equity' considering the definition of financial liabilities and equity given under Ind AS 32 and terms of conversion of CCPS specified under the Contract.

3.12. Cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.13. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

The Income tax expenses or credit for the period is the tax payable on current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.



Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

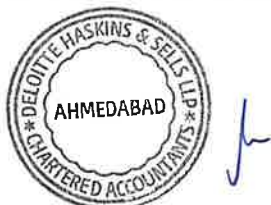
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

3.14. Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable within twelve months are classified as short-term benefits which are recognised at an undiscounted amount in the statement of profit and loss in the period / year in which the employee renders the related service.



b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme and employees' state insurance fund scheme are defined contribution plans. The Company made defined contribution to the Government Employee Provident Fund and Superannuation Fund, which are recognised in the statement of profit and loss, on accrual basis. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service. The Company has no obligation, other than the contribution paid/payable under such schemes.

(ii) Defined benefit plan

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined liabilities or assets. The company recognised following changes in the net defined benefits obligation as on expenses in the statement of Profit and Loss: a) Services cost comprising current service cost, gains and losses on curtailments and non-routine settlements and b) Net interest expenses and income.

Provisions for Gratuity and its classification between current and non-current liabilities are based on independent actuarial valuation.

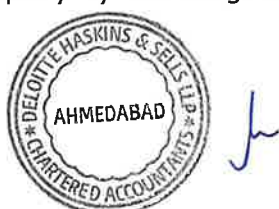
c) Compensated Absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the Statement of Profit and Loss. The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date and based on independent actuarial valuation.

3.15. Earnings per share

Basic EPS is calculated by dividing the net profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Earning, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividend any attributed tax there to for the period.

Diluted EPS is calculated by dividing the net profit / loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the



weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3.16. Provisions and Contingencies

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

Claim against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

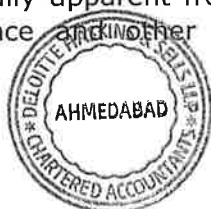
The Company does not recognise a contingent liability but discloses its existence in the Financial Statements. Contingent assets are not recognised but disclosed in the Financial Statements when an inflow of economic benefits is probable.

3.17. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Since there are no other business segment in which company operates, there are no other primary reportable segments.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make certain judgements, estimates and assumptions about the reported amounts of assets and liabilities, revenues, expenses, the accompanying disclosures and the disclosure of contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on experience and other factors that management considers to be relevant. Actual results may



significantly differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis by the management of the Group. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

i. Revenue recognition

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Company has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Company has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

ii. Provision for discount and sales return

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario. Provision is created based on the management's assessment of market conditions.

iii. Expected Credit Loss- Trade Receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is Grouped into homogeneous Groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. The carrying amount of allowance for doubtful debts under ECL method is Rs.581.72 lakhs (March 31, 2024 – Rs. 544.46 lakhs). Refer Note 7 (a) for further details.

iv. Taxes:

Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses / credits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits based on company's projected performance Refer Note 24 for further details.



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Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year ended March 31, 2025

v. Provision on inventories:

The Company has defined policy for provision on inventory for its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and other materials. The Company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods. As at March 31, 2025, the Company has recognised provision for inventories of Rs. 714.74 lakhs (March 31, 2024 – Rs. 742.61 lakhs).

vi. Going Concern:

The management has performed an assessment of the Company's ability to continue as a going concern. Based on the assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on a going concern basis. Refer Note 33 for further details.



Note 5 : Property, plant and equipment

Rs. In Lakhs

Particulars	Plant and Equipment	Furniture & Fixture	Vehicles	Leasehold Improvements	Office Equipment	Computers	Total
Gross Carrying Amount							
As at April 1, 2023	161.37	821.58	4.48	678.66	43.47	7.23	1,716.78
Additions	78.06	300.79	-	265.93	36.54	9.05	690.37
Deductions	(25.57)	(101.25)	-	(43.77)	(13.84)	(0.75)	(185.18)
As at March 31, 2024	213.86	1,021.12	4.48	900.82	66.17	15.53	2,221.97
Additions	60.44	221.26	-	252.16	45.31	8.41	587.58
Deductions	(22.70)	(43.80)	-	(57.62)	(7.93)	(1.76)	(133.81)
As at March 31, 2025	251.60	1,198.58	4.48	1,095.36	103.55	22.18	2,675.74
Accumulated Depreciation							
As at April 1, 2023	89.44	558.60	4.15	495.22	21.79	4.93	1,174.13
Depreciation for the year	53.88	196.98	-	125.14	10.09	2.17	388.26
Deductions	(18.11)	(69.34)	-	(32.62)	(8.63)	(0.65)	(129.35)
As at March 31, 2024	125.21	686.24	4.15	587.74	23.25	6.45	1,433.04
Depreciation for the year	33.16	103.19	-	93.45	10.60	4.77	245.17
Deductions	(18.98)	(34.22)	-	(39.33)	(2.77)	(0.95)	(96.25)
As at March 31, 2025	139.39	755.21	4.15	641.86	31.08	10.27	1,581.96
Net Carrying Value							
As at March 31, 2025	112.21	443.37	0.33	453.50	72.47	11.91	1,093.78
As at March 31, 2024	88.65	334.88	0.33	313.08	42.92	9.08	788.93

Notes:

- NOTES:
- i) Property, plant and equipment, both present and future are hypothecated as security for borrowings as disclosed under Note 13 (a).
- ii) Refer note 25 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year ended March 31, 2025

Note 6 : Intangible assets

Rs. In Lakhs

Particulars	Computer Software	Total
Gross Carrying Amount		
As at April 1, 2023	1.97	1.97
Additions	-	-
Disposals / Discard of Assets	(0.44)	(0.44)
As at March 31, 2024	1.53	1.53
Additions	-	-
Disposals / Discard of Assets	-	-
As at March 31, 2025	1.53	1.53
Accumulated Amortisation		
As at April 1, 2023	1.18	1.18
Amortisation for the period	0.35	0.35
Disposals / Discard of Assets	(0.30)	(0.30)
As at March 31, 2024	1.23	1.23
Amortisation for the year	0.24	0.24
Disposals / Discard of Assets	-	-
As at March 31, 2025	1.47	1.47
Net Carrying Value		
As at March 31, 2025	0.06	0.06
As at March 31, 2024	0.30	0.30

Notes:

i) The Company does not have any intangible assets under development at the beginning and at the end of the year, hence additional disclosure as per Schedule III has not been given.



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Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year ended March 31, 2025

Note 7 : Financial assets

7 (a) Trade receivables - Current

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good	23,501.70	10,715.82
Trade receivables - credit impaired	581.72	544.46
	24,083.42	11,260.28
Less : Allowance for credit impaired	(581.72)	(544.46)
Less : Provision for Refundable liability	(11,184.44)	(4,149.39)
Total Trade receivables	12,317.26	6,566.43

Notes:

- i) For disclosure related to ageing of Trade receivables - refer note 7(a.1).
- ii) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
- iii) Trade receivables are given as security for borrowings as disclosed under Note 13(a).
- iv) The Company has discounted bill receivables of Nil as at March 31, 2025 (Previous year - Rs. 3,431.13 lakhs) on non-recourse basis. The management had assessed that in respect of bill discounting, the Company did not have any continuing involvement with the said bills discounted, except in an unlikely scenario of dispute arising with regard to the existence of the receivable discounted. Accordingly, it was concluded that the discounting meets derecognition criteria and the money received was adjusted against trade receivables.
- v) Trade receivables are generally non-interest bearing and on terms of 30-180 days.
- vi) Trade receivables from related parties included above Rs. 11,879.21 lakhs (Previous year - Rs. 2,746.48 lakhs) as disclosed under Note 29(B).
- vii) The receivables classified as significant increase in credit risk represent receivables against which claims are raised by the customers, which are not accepted by the Company.
- viii) Provision for Refundable liability is recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.
- ix) Pursuant to approval from the Board of Directors of the Company in their meeting held on February 12, 2024, the terms of sale of goods arrangement between the Company and Arvind Lifestyle Brands Limited (ALBL) vide Master Franchise Agreement dated July 09, 2020 has been revised between the Company and ALBL w.e.f April 01, 2024. As per the arrangement, the rights and obligation between the Company and master franchise partner i.e. ALBL, has been amended whereby terms of sale of goods made by the Company is converted on 'Outright Basis' instead of 'Sale or Return Basis'.

x) Movement in allowance for credit impaired

The Company has provided allowance for trade receivables - credit impaired, based on Simplified 12 months ECL approach using provision matrix. Movement in allowance for expected credit loss is as follows

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	544.46	629.88
(Less): Addition / (Reversal) is made during the year as per ECL Matrix	37.26	(85.42)
Balance at the end of the year	581.72	544.46

7 (b) Cash and cash equivalent

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Cash on hand	-	-
Balance with Bank		
In Current accounts	27.44	58.38
Total cash and cash equivalent	27.44	58.38



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7 (a.1) Ageing of Trade receivables - Current

As at March 31, 2025		Rs. In Lakhs					
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	15,249.33	8,202.13	50.24	-	-	-	23,501.70
Undisputed Trade receivables - credit impaired	-	-	50.22	36.66	410.44	66.78	564.10
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	17.62	17.62
Sub Total	15,249.33	8,202.13	100.46	36.66	410.44	84.40	24,083.42
Less : Allowance for credit impaired							(581.72)
Less : Provision for Refundable liability							(11,184.44)
Total	15,249.33	8,202.13	100.46	36.66	410.44	84.40	12,317.26

As at March 31, 2024		Rs. In Lakhs					
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	5,308.42	5,390.58	-	16.82	-	-	10,715.82
Undisputed Trade receivables - credit impaired	-	-	33.61	426.00	66.80	-	526.41
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	18.05	-	18.05
Sub Total	5,308.42	5,390.58	33.61	442.82	84.85	-	11,260.28
Less : Allowance for credit impaired							(544.46)
Less : Provision for Refundable liability							(4,149.39)
Total	5,308.42	5,390.58	33.61	442.82	84.85	-	6,566.43

(i) The above ageing has been calculated based on due date as per terms of agreement. In case where due date is not provided, date of transaction is considered.

(ii) Also refer note 7 (a) (iv) for details related to Customer Bill Discounting.



7 (c) Bank Balances other than Cash and Cash Equivalents

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Bank balance held as margin money (with maturity of more than three months but less than 12 months) (refer note (i) below)	101.58	27.70
	101.58	27.70
Less: Amount disclosed under Non-Current Financial Assets in Balance Sheet	-	(5.00)
Total	101.58	22.70

Note:

- i) Margin money deposit aggregating to Rs. 101.58 lakhs (Previous year - Rs. 27.70 lakhs) represents security held by bank towards working capital facilities availed by the Company and minimum balance commitment against the current account with bank.
- ii) The fair value of Bank Balances (Other than cash and Cash equivalents) are approximately the carrying value presented in Note 32.

7 (d) Loans

(Unsecured, considered good, unless otherwise stated)

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Current		
Loans to employees	5.12	5.40
Total Loans	5.12	5.40

Notes:

- i) No loans are due from directors or promoters of the Company either severally or jointly with any person.
- ii) The fair value of loans are approximately the carrying value presented in Note 32.

7 (e) Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Non-current (A)		
Security deposits	487.38	438.65
Bank Balance held as Margin money	-	5.00
(A)	487.38	443.65
Current (B)		
Security deposits		
Considered Good	238.69	261.62
Considered Doubtful	11.79	14.96
Less : Allowance for Doubtful Deposits (Refer Note (ii) below)	(11.79)	(14.96)
	238.69	261.62
Interest accrued but not due on bank deposits	2.48	0.67
Insurance claim receivable	60.87	4.28
Other Receivables		
- From Stores		
Considered Good	141.06	178.88
Considered Doubtful	6.62	6.62
Less : Allowance for Doubtful Deposits	(6.62)	(6.62)
	141.06	178.88
- From Related parties	-	1,047.23
- From Others	21.55	-
(B)	464.65	1,492.68
Total other financial assets (A) + (B)	952.03	1,936.33

i) Other Non current and Current Financial assets are given as security for borrowings as disclosed under Note 13(a).



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ii) Allowance for Doubtful Deposits

Particulars	As at March 31, 2025	As at March 31, 2024
As at beginning of the year	14.96	14.96
Add: Provision made during the year	-	-
(Less): Provision write off during the year	(3.17)	-
Balance at the end of the year	11.79	14.96

7 (f) : Financial Assets by category carried at amortised cost

Particulars	As at March 31, 2025	As at March 31, 2024
Trade receivables (refer note 7(a))	12,317.26	6,566.43
Cash and cash equivalent (refer note 7(b))	27.44	58.38
Loans (refer note 7(d))	5.12	5.40
Bank Balances other than Cash and Cash Equivalents (refer note 7(c))	101.58	22.70
Other financial assets (refer note 7(e))	952.03	1,936.33
Total Financial Assets	13,403.43	8,589.24

- i) For Financial instruments risk management objectives and policies, refer note 34.
ii) For Fair value disclosure of financial assets and liabilities refer note 32.

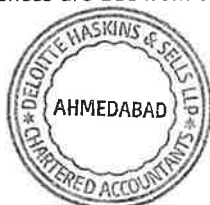
Note 8 : Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Advance to suppliers / Advance recoverable in cash or kind		
Considered Good	28.36	74.47
Considered Doubtful	64.00	64.00
Less : Provision for doubtful advances	(64.00)	(64.00)
	28.36	74.47
Exptot Incentive Receivable	0.17	-
Advance to Employee	-	5.31
Returnable asset (refer note ii below)	4,486.58	1,810.91
Prepaid expenses	187.65	172.88
Balance with Government Authorities (refer note iv below)	583.61	916.60
GST Paid under Protest	5.19	-
Prepaid Gratuity (refer note 28)	3.02	-
Other current assets (refer note iii below)	1,417.14	1,655.11
	6,711.72	4,635.27
Total	6,711.72	4,635.27

Notes:

- i) Other current assets are given as security for borrowings as disclosed under Note 13(a).
ii) Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers and are accounted, considering the nature of Inventory, ageing and net realisable value. Accordingly Rs. 415.45 lakhs (March 31, 2024 - Nil) has been provided. The changes in write downs are recognised as an expense in the Statement of profit & loss.
iii) Other current assets represents Goods and Service Tax paid (asset) on primary sales / stock transfer of traded goods on "Sale or Return basis" and tax asset on goods refund liability component. Balance outstanding as at year end will be adjusted against secondary sale of traded goods, actual credit note issued for sales returns and amount recoverable from customers for GST paid on primary sales on settlement of receivable balances.
iv) Balance with Government Authorities mainly consist of input tax credit availed.
v) No advances are due from directors or promoters of the Company either severally or jointly with any person.



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year ended March 31, 2025

Note 9 : Inventories (At lower of cost and net realisable value)

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Stock-in-trade (Garments and Accessories)	9,521.42	13,431.99
Total	9,521.42	13,431.99

Notes:

- i) Inventories are given as security for borrowings as disclosed under Note 13(a)
- ii) Value of stock-in-trade is netted off by Rs. 714.74 lakhs (Previous year - Rs. 742.61 lakhs), pertaining to provision for slow moving /non-moving inventories.
- iii) For Balance of Inventories written off and Charged off to statement of Profit and loss refer note 23.

Note 10 (a) : Income Tax Assets (Net)

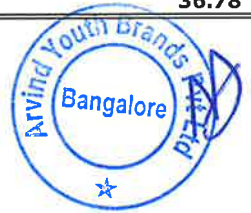
Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Tax Paid in Advance/Tax Deducted at Source (Net of Provision)	128.15	81.76
Total	128.15	81.76

Note 10 (b): Current Tax Liability

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Provision for Income tax	-	36.78
Total	-	36.78



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Note 11A

Equity share capital					Rs. In Lakhs
Particulars	As at March 31, 2025		As at March 31, 2024		
	No. of shares	Amount	No. of shares	Amount	
Authorised share capital					
Equity shares of Rs. 10 each	11,27,01,480	11,270.15	11,27,01,480	11,270.15	
Total	11,27,01,480	11,270.15	11,27,01,480	11,270.15	
Issued, subscribed and fully paid up share capital					
Equity shares of Rs. 10 each	11,27,01,480	11,270.15	11,27,01,480	11,270.15	
Total	11,27,01,480	11,270.15	11,27,01,480	11,270.15	

(i) Reconciliation of Equity shares outstanding at the beginning and at the end of the Reporting year

					Rs. In Lakhs
Particulars	As at March 31, 2025		As at March 31, 2024		
	No. of shares	Amount	No. of shares	Amount	
At the beginning of the year	11,27,01,480	11,270.15	11,27,01,480	11,270.15	
Add: Issue during the year	-	-	-	-	
Outstanding at the end of the year	11,27,01,480	11,270.15	11,27,01,480	11,270.15	

(ii) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Shares Held by Ultimate Holding Company and Holding Company / Promoters

						Rs. In Lakhs
Particulars	Relationship	As at March 31, 2025		As at March 31, 2024		
		No. of shares	Amount	No. of shares	Amount	
Arvind Fashions Limited	Ultimate Holding Company	4,46,32,600	4,463.26	4,46,32,600	4,463.26	
Arvind Lifestyle Brands Limited	Holding Company	6,80,68,879	6,806.89	6,80,68,879	6,806.89	

There has been no change in promoters shareholding during the current year.

(iv) Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024		
	No. of shares	% of shareholding	No. of shares	% of shareholding	
Arvind Fashions Limited	4,46,32,600	39.60%	4,46,32,600	39.60%	
Arvind Lifestyle Brands Limited	6,80,68,879	60.40%	6,80,68,879	60.40%	



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Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year ended March 31, 2025
Note 11 B
Compulsory Convertible Preference share capital

Rs. In Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Preference shares of Rs. 100 each	58,95,852	5,895.85	58,95,852	5,895.85
Total	58,95,852	5,895.85	58,95,852	5,895.85

Issued, subscribed and fully paid up share capital

Preference shares of Rs. 100 each	58,95,852	5,895.85	58,95,852	5,895.85
Total	58,95,852	5,895.85	58,95,852	5,895.85

(i) Reconciliation of Preference shares outstanding at the beginning and at the end of the Reporting year

Rs. In Lakhs

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	58,95,852	5,895.85	58,95,852	5,895.85
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	58,95,852	5,895.85	58,95,852	5,895.85

(ii) Terms of Conversion / Redemption of CCPS

During the year 2020-21, the Company had issued 58,95,852 Compulsorily Convertible Non-Cumulative Preference Shares ("CCPS") of Rs. 100, amounting to Rs. 5,895.85 lakhs, each fully paid-up. The CCPS are entitled to a preferential right to dividend at the rate of 0.001% per annum.

As per the terms of conversion of CCPS stated in the Share Purchase Agreement and Shareholders agreement (the Agreements) entered between the Company, the Promoters of the Company and Investor dated July 09, 2020, each CCPS shall be convertible to variable number of equity shares ranging from a minimum of 6 equity shares up to maximum of 10 equity shares determinable based on the Adjusted Earnings before Interest, Depreciation, Tax and Amortisation (Adjusted EBITDA) for the financial year ending March 31, 2022.

During the year 2022-23, the Shareholders of the Company approved the change in the conversion terms of CCPS whereby each CCPS shall be convertible to following number and class of shares on a fully diluted basis : a) 4,22,10,569 Equity shares of face value of Rs. 10 each and b) 90,12,593 Class A equity shares of face value of Rs. 10 each as per the terms of addendum agreements. Except Class A equity shares remaining equity share will carry the voting rights as permitted under applicable law. The above-mentioned conversion has been fixed based on the adjusted EBITDA of the Company as on March 31, 2022. The board resolution to this effect was passed on March 30, 2023 and the CCPS has been reclassified under other equity as this has no longer in the nature of financial liability.

The equity shares to be allotted on conversion of the CCPS, shall rank pari-passu in all respects with the then existing equity shares of the Company except class A equity shares.

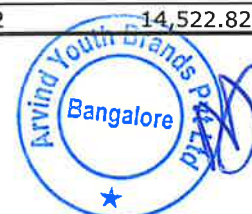
(iii) Number of Shares held by convertible preference shareholder holding more than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Flipkart India Private Limited	58,95,852	100%	58,95,852	100%

(iv) Movement in Carrying Value of Compulsorily Convertible Preference Shares

Rs. In Lakhs

Name of the Shareholder	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	58,95,852	14,522.82	58,95,852	14,522.82
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	58,95,852	14,522.82	58,95,852	14,522.82



Note 12 : Other Equity - Reserves & Surplus

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Capital reserve (refer note (i) below)		
As at beginning of the year	(11,701.09)	(11,701.09)
Balance at the end of the year	(11,701.09)	(11,701.09)
Contribution from Parent for ESOP (refer note 36 and (iii) below)		
As at beginning of the year	39.50	30.69
Add: ESOP charge for the year as allocated by the Ultimate Holding Company (refer note 20)	5.10	8.81
Balance at the end of the year	44.60	39.50
Retained Earnings (refer note (ii) below)		
As at beginning of the year	(7,670.01)	(3,904.18)
Add: (Loss) for the year	(1,772.08)	(3,747.79)
Add: Other comprehensive income (charge) for the year (net of tax)	6.43	(18.04)
Balance at the end of the year	(9,435.66)	(7,670.01)
Total Other equity	(21,092.15)	(19,331.60)

The description of the nature and purpose of each reserve within equity is as follows :

i) Capital reserve

Capital reserve represents negative reserves created on account of acquisition of business under the business transfer agreement accounted as per Ind AS-103 and fair value adjustment in the value of CCPS on change in terms of CCPS in earlier years (refer note 11 (b)). (ii). Capital reserves created can be utilised for issue of bonus shares as per the provisions of Companies Act 2013.

ii) Retained Earnings

Retained earnings are the (loss) that the Company has incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

iii) Contribution from parent for ESOP

This reserve relates to share options granted by Arvind Fashions Limited (Ultimate Holding Company) to the company's certain employees under its employee share option plan. Disclosure information about share-based payments to employees is set out in Note 36.

Note 13 : Financial liabilities

13 (a) Borrowings

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Short-term Borrowings		
Secured Borrowings at Amortised Cost		
Working Capital Loan from Banks	7,814.39	7,674.38
Unsecured		
Intercompany Deposits		
From Related Parties (refer note 29)	2,500.00	-
Total short-term borrowings	10,314.39	7,674.38
Total borrowings	10,314.39	7,674.38

i) Secured Borrowings

Particulars	March 31, 2025	March 31, 2024	Rate of Interest	Security
Working Capital loan from banks	7,814.39	7,674.38	Ranging from 8.05% to 10.20% p.a. (Previous year 8.40% to 8.95%)	a. First and pari passu charge by way of Hypothecation of Current assets of the Company (Present and Future) including inventory and book debts. b. First pari-passu charge over entire property plant and equipment of the Company (present and future) comprising furniture & fixture, Office equipment, plant and equipments, other leasehold Improvement etc. located at retail stores / showrooms and other places etc on pari passu basis. Also refer note 5. c. Joint Corporate Guarantee given by Arvind Fashions Limited and Arvind Lifestyle Brands Ltd upto the extent of total sanction limits of Rs. 13,500 Lakhs (Previous year Rs.10,500 lakhs). Also refer note 29.

ii) Unsecured Borrowings

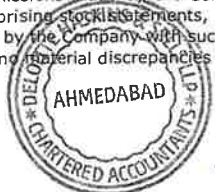
Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Intercompany Deposits	2,500.00	-

iii) All necessary charges or satisfaction are registered with ROC within the statutory year.

iv) The Company has used the borrowings from banks for the specific purpose for which it was taken.

v) During the year there are no instances of non compliance of any financial/non-financial covenants for working capital facilities sanctioned to the Company.

vi) The Company has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the Company to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.



13 (b) Trade payables

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Current		
Acceptances*	6,791.26	5,419.31
Other Trade Payables (Refer Note Below)		
-Total outstanding dues of micro enterprises and small enterprises (MSME)	1,180.95	709.44
-Total outstanding dues other than micro enterprises and small enterprises	5,654.14	4,761.41
Total	13,626.35	10,890.16

*Acceptances include arrangements where operational suppliers of goods & services are initially paid by banks/financial institutions while the Company continues to recognize the liability till settlement with the banks/financial institutions.

Notes:

- i) Based on the information and records available, the disclosures as required under section 22 of the Micro, Small and Medium Enterprise Small Enterprise Development (MSMED) Act, 2006 are presented as follows :

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	1,180.95	709.44
ii) Interest (refer note 13(c))	241.24	220.26
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	241.24	220.26
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

ii) Trade Payables ageing schedule:

As at March 31, 2025						
Particulars	Not due	Outstanding for following periods from due date of Payment *				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	1,180.95	-	-	-	-	1,180.95
Undisputed dues - Others	10,231.24	474.18	51.09	55.83	-	10,812.34
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	1,633.06	-	-	-	-	1,633.06
Total	13,045.25	474.18	51.09	55.83	-	13,626.35

As at March 31, 2024						
Particulars	Not due	Outstanding for following periods from due date of Payment *				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	709.44	-	-	-	-	709.44
Undisputed dues - Others	8,085.07	332.08	40.15	-	-	8,457.30
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	1,723.42	-	-	-	-	1,723.42
Total	10,517.93	332.08	40.15	-	-	10,890.16

* Where due dates are not provided, date of transaction is considered.

- iii) Trade payables (except MSME) are non-interest bearing and on terms of 15-120 days.
iv) The fair value of trade payables are approximately the carrying value presented in Note 32.

13 (c) Other financial liabilities

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Non-current (A)		
Security Deposits (refer note (ii) below)	1,241.13	1,567.50
(A)	1,241.13	1,567.50
Current (B)		
Interest accrued and due on trade payables (MSME) (refer note 13 (b)(i))	241.24	220.26
Interest accrued but not due on trade credits and security deposits	148.05	188.13
Payable to employees	0.75	1.88
Payable for capital goods towards purchase of Property, Plant and Equipment	9.38	27.69
Mark to Market Derivative Financial Instruments	10.70	-
Other payables (refer note 29)	246.71	1.73
(B)	656.83	439.69
Total	1,897.96	2,007.19

Note: i) There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as at March 31, 2025 and March 31, 2024.

(ii) Security Deposits from Customers in the Company's business are generally not repayable within a period of twelve month based on historical experience.

(iii) The fair value of other financial liabilities are approximately the carrying value presented in Note 32.

13 (d) : Financial Liabilities by category

Particulars	As at March 31, 2025		As at March 31, 2024	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Borrowings (refer note 13(a))	-	10,314.39	-	7,674.38
Trade payables (refer note 13(b))	-	13,626.35	-	10,890.16
Security Deposits (refer note 13(c))	-	1,241.13	-	1,567.50
Payable to employees (refer note 13(c))	-	0.75	-	1.88
Interest accrued but not due on trade credits and security deposits (refer note 13(c))	-	148.05	-	188.13
Interest accrued and due on trade payables (refer note 13(c))	-	241.24	-	220.26
Lease Liabilities (refer note 31)	-	5,314.23	-	7,122.50
Payable for capital goods towards Property plant and Equipment (refer note 13(c))	-	9.38	-	27.69
Other payables (refer note 13(c))	-	246.71	-	1.73
Mark to Market Derivative Financial Instruments (refer note 13(c))	10.70	-	-	-
Total Financial liabilities	10.70	31,142.23	-	27,694.23

i) For Financial Instruments risk management objectives and policies, refer note 34.
ii) For Fair value disclosure of financial assets and liabilities refer note 32.

Note 14: Provisions

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Non Current (A)		
Provision for employee benefits		
Provision for leave encashment (refer note 28 (c))	33.26	48.41
Provision for Gratuity (refer note 28 (b))	-	32.15
(A)	33.26	80.56
Current (B)		
Provision for employee benefits		
Provision for leave encashment (refer note 28 (c))	14.98	20.94
(B)	14.98	20.94
Total	48.24	101.50

Note 15 : Other current liabilities

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Current		
Advance from customers (refer note 16 (III))	37.32	193.11
Statutory dues	173.70	163.50
Deferred Revenue (refer note 16 (III))	15.34	1.94
Deferred income of loyalty program reward points (refer note 16 (III) and note (a) below)	8.61	5.12
Total	234.97	363.67

(a) Deferred income of Loyalty Program Reward Points

The Company has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below :

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
As at beginning of the year	5.12	5.26
Add: Provision made during the year (refer note 16)	83.73	52.83
(Less): Redemption made during the year	(80.24)	(52.97)
Balance at the end of the year	8.61	5.12



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year ended March 31, 2025
Note 16 : Revenue from operations

Rs. In Lakhs		
Particulars	For the period ended March 31, 2025	Year ended March 31, 2024
Revenue from Contract with Customers		
Sale of products*	43,214.92	45,823.77
Other Operating income		
Export incentives	1.30	0.17
Total	43,216.22	45,823.94

* For transaction with related parties, refer note 29.

I. Disaggregation of revenue from Contracts with Customers

Particulars	For the period ended March 31, 2025	Year ended March 31, 2024
A. Revenue based on Geography		
i. Domestic	43,119.80	45,798.84
ii. Export	96.42	25.10
	43,216.22	45,823.94
B. Revenue based on Business Segment		
Branded Apparels	43,216.22	45,823.94

i) Revenue from contracts with customers are recognised on transfer of goods at a point in time. i.e, satisfaction of performance obligation upon delivery / dispatch of goods based on contractual terms.

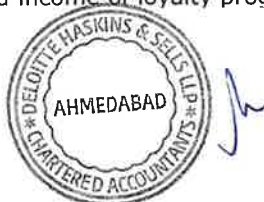
II. Reconciliation of Revenue from Operation recognised in the statement of profit and loss with Contracted Price

Particulars	For the period ended March 31, 2025	Year ended March 31, 2024
Revenue as per Contracted Price	70,976.52	63,578.59
Adjustments:		
Schemes and Discounts	(9,300.75)	(5,510.07)
Sales Returns	(18,456.06)	(12,303.50)
Customer Loyalty Program & Rate Difference Credit Notes (Net)	(3.49)	58.92
Total Revenue from Operations	43,216.22	45,823.94

Note: In respect of goods sold through agents, the revenue is recognised at sales price billed to ultimate customers and margin given to agent is recognised as an expense.

III. Contract Balances

Particulars	For the period ended March 31, 2025	Year ended March 31, 2024
Contract Assets		
Trade Receivables (refer note 7(a))	12,317.26	6,566.43
Contract Liability		
Advance from customers (refer note 15)	37.32	193.11
Deferred Revenue (refer note 15)	15.34	1.94
Deferred income of loyalty program reward points (refer note 15)		



Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year ended March 31, 2025**Note 17 : Other income**

Particulars	Rs. In Lakhs	
	For the period ended March 31, 2025	Year ended March 31, 2024
Interest income on financial assets measured at amortised cost		
- Margin Money Deposits	3.84	6.75
- Lease Deposits	47.47	45.94
Unclaimed Liability no longer required written back	3.17	15.48
Gain on Reassessment of Lease (refer note - 31)	164.63	73.00
Miscellaneous income	6.05	9.07
Foreign exchange fluctuation on vendors and customers (Net)	-	6.93
Interest income on net amount receivable from related parties *	-	20.28
Provision for doubt-ful debts written back	-	85.42
Total	225.16	262.87

* For transaction with related parties, refer note 29.

Note 18 : Purchases of stock-in-trade

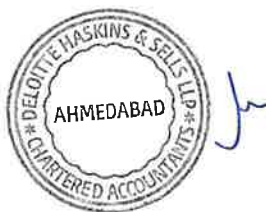
Particulars	Rs. In Lakhs	
	For the period ended March 31, 2025	Year ended March 31, 2024
Branded Apparels & Accessories	23,832.84	23,281.31
Total	23,832.84	23,281.31

Note 19 : Changes in inventories of stock-in-trade including Returnable Assets

Particulars	Rs. In Lakhs	
	For the period ended March 31, 2025	Year ended March 31, 2024
Inventories at the end of the period		
Stock-in-trade including Returnable Assets	(14,007.99)	(15,242.90)
Inventories at the beginning of the period		
Stock-in-trade including Returnable Assets	15,242.90	18,044.92
Decrease / (Increase) of Inventories including Returnable Assets	1,234.91	2,802.02

Note:

i) Value of changes in inventories of stock-in-trade is netted off by (Credit) / Charge of provision for slow moving/non-moving inventories, amounting to Rs.387.58 lakhs (Previous year - (Rs.1,066.12 Lakhs).



Arvind Youth Brands Private Limited**CIN - U52100GJ2020PTC112995****Notes to the Financial Statements for the year ended March 31, 2025****Note 20 : Employee benefits expense**

Particulars	Rs. In Lakhs	
	For the period ended March 31, 2025	Year ended March 31, 2024
Salaries, wages, bonus, commission, etc.	1,422.21	1,835.36
Gratuity expenses (refer note 28 (B))	18.24	17.54
Contribution to provident and other funds	71.95	86.04
Staff Welfare expenses	58.11	121.71
ESOP charge for the year as allocated by the Ultimate Holding Company (refer note 36)	5.10	8.81
Total	1,575.61	2,069.46

Note 21 : Finance costs

Particulars	Rs. In Lakhs	
	For the period ended March 31, 2025	Year ended March 31, 2024
Interest Expenses on:		
- Working Capital Loan and others	562.58	492.48
- Payable to Micro and Small Enterprise Suppliers	20.99	21.05
- Loans from related parties (refer note 29)	4.66	156.26
- Customer Deposits	95.19	119.17
- Lease Liabilities (refer note 31)	708.36	695.86
- Interest on Taxes and Duties	-	0.08
- Trade credits and customers discounting	762.40	598.48
- Other Ancillary Borrowing Charges	67.13	26.33
Total	2,221.31	2,109.71

Note 22 : Depreciation and amortisation expense

Particulars	Rs. In Lakhs	
	For the period ended March 31, 2025	Year ended March 31, 2024
Depreciation on Property, Plant and Equipment (refer note 5)	245.16	388.23
Depreciation on Right-of-Use assets (refer note 31)	1,829.60	1,761.78
Amortisation on Intangible assets (refer note 6)	0.24	0.35
Total	2,075.00	2,150.36



Arvind Youth Brands Private Limited**CIN - U52100GJ2020PTC112995****Notes to the Financial Statements for the year ended March 31, 2025****Note 23 : Other expenses**

Particulars	Rs. In Lakhs	
	For the period ended March 31, 2025	Year ended March 31, 2024
Power and fuel	114.12	95.68
Insurance	59.47	102.78
Processing charges	108.16	161.73
Printing, stationery & communication	87.15	68.83
Short Term leases and leases of low-value assets (refer note 31) *	74.18	150.57
Commission and Brokerage	4,641.27	7,116.06
Rates and taxes	24.07	87.36
Repairs & Maintenance - Others	25.23	17.79
Common area maintenance charges of leased assets	238.14	237.03
Freight, insurance & clearing charge	509.05	561.26
Legal & Professional charges	111.24	93.45
Security Charges	15.53	19.83
Conveyance & Travelling expense	196.69	245.66
Advertisement and Publicity	1,674.95	2,133.76
Outsourced Services	3,367.66	3,443.93
Sampling and Testing Expenses	220.17	117.15
Unreconciled Balance of customers (including towards inventories) and excess liabilities written off / written back (net) (refer note (a) below)	-	225.46
Allowance for Credit impaired receivables	37.26	-
Auditor's remuneration (refer note b below)	35.00	35.02
Bank collection charges	121.72	112.97
Warehouse service charges	326.86	322.11
Store Closure expenses	43.69	-
Loss on Sale/discard of property, plant and equipment (Net)	36.83	54.25
Loss on Foreign exchange fluctuation (Net)	8.52	-
Business Support Service charges (refer note 29)	2,040.00	1,851.27
Miscellaneous expenses	158.99	111.34
Total	14,275.95	17,365.29

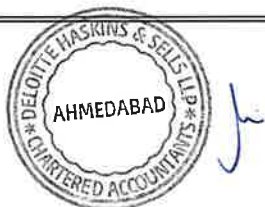
Note:

a) During the previous year, the Company has performed reconciliation process with certain customers for sales made on Sale or Return basis and vendors and identified certain amount not recoverable from the Customers and excess liabilities no longer payable to suppliers.

Based on the reconciliation procedures performed with customers and vendors, the Company has written off the unrecoverable balance against old inventories related balance due with customers and corresponding other assets and excess liabilities relating to customer/revenue related claims no longer payable and charged off to statement of profit and loss and disclosed on Net basis.

b) Break up of Auditor's Remuneration

Particulars	Rs. In Lakhs	
	For the period ended March 31, 2025	Year ended March 31, 2024
Payment to Auditors as :		
For statutory audit	35.00	33.50
For certification work and other services	-	0.57
For reimbursement of expenses	-	0.95
Total	35.00	35.02



Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year ended March 31, 2025**Note 24 : Income Tax**

The major component of income tax expense for the period ended March 31, 2025 are:

Rs. In Lakhs

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
<u>Statement of Profit & Loss</u>		
Current Tax		
Current Income tax Charge	-	-
Deferred Tax		
Charge/ (Credit) for the year relating to origination and reversal of temporary difference	(2.16)	56.45
Income tax expense reported in the statement of profit & loss	(2.16)	56.45

OCI Section

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
<u>Statement to Other comprehensive income (OCI)</u>		
Deferred tax (credit) on remeasurement (loss) on defined benefit plans	2.16	(6.06)
Deferred tax charged to OCI	2.16	(6.06)

Reconciliation of tax expense and the accounting profit as follows:**A) Current tax**

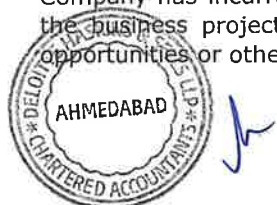
Rs. In Lakhs

Particulars	For the period ended March 31, 2025	For the year ended March 31, 2024
Accounting (loss) before tax	(1,774.24)	(3,691.34)
Applicable domestic statutory tax rate	25.17%	25.17%
Tax at Statutory Income tax rate	(446.54)	(929.04)
<u>Adjustments</u>		
Expenditure not deductible for tax	5.28	5.30
Deferred tax assets on losses not recognised (refer notes below)	435.42	979.57
Others	3.68	0.62
Income tax charge / (credit) as per statement of Profit and loss account	(2.16)	56.45
Effective Income Tax Rate %	0.12%	(1.53)%

Notes:

i) At the reporting date, the company has unused tax losses of Rs. 5,765.04 Lakhs (March 31, 2024: Rs. 3,928.01 Lakhs) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses as it is not considered probable that there will be future taxable profits available. Included in unrecognised tax losses are losses of Rs. 5,070.13 Lakhs (March 31, 2024: Rs.3,641.65 lakhs) that will expire in FY 2031-32 and 2032-33. Other losses may be carried forward indefinitely.

ii) Deferred tax asset has not been recognised in respect of these unabsorbed depreciation or carried forward losses as they may not be used to offset taxable profits of the Company in future years (reasonable certainty) given that Company has incurred taxable losses in current year and also expected to incur losses in next financial year as per the business projections and plan prepared and assessed by the management. There are no other tax planning opportunities or other evidence of recoverability in the near future.



B) Deferred tax

Rs. In Lakhs

Particulars	Balance Sheet		Statement of Profit & Loss and Other Comprehensive Income	
	As at	As at	For the year	For the year
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
			charge / (credit)	
Accelerated depreciation for book purposes	362.30	363.40	1.10	(50.73)
Expenditure allowable on payment basis	79.13	93.67	14.54	140.01
Recognition of lease liabilities net of Right-of-use assets under leases	182.18	166.54	(15.64)	(38.89)
Deferred tax assets (net)	623.61	623.61	(0.00)	50.39

Reconciliation of Deferred Tax Assets

Rs. In Lakhs

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Opening balance as at April 1, 2024/April 1, 2023	623.61	674.00
Deferred Tax (charge)/credit during the year recognised in statement of profit and loss	2.16	(56.45)
Deferred Tax credit during the year recognised in Other comprehensive income	(2.16)	6.06
Closing balance as at March 31, 2025/March 31, 2024	623.61	623.61



Note 25 : Capital commitment, other commitments and Contingent Liabilities

Rs. In Lakhs

Particulars	As at March 31, 2025	As at March 31, 2024
A. Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	87.86	54.37
B. Contingent Liabilities		
(i) On account of claims against Company not acknowledged as Debts, pending customer reconciliation/confirmation.	-	177.35
(ii) Tax demands under dispute/appeals/settlement		
Under Income Tax Act, 1961 for AY 2022-23 (refer note (a) below)	454.81	454.81
Under Goods and Service Tax Act, 2017	371.55	-

Note

(a) The Company has determined that it is not feasible to reliably estimate the timing of any cash outflows, if any, related to the aforementioned pending resolutions of legal proceedings.

(b) The Company does not expect any reimbursements in respect of the above Contingent liabilities.

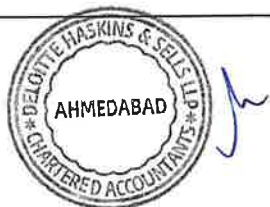
(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of the operations

Note 26 (a) : Unhedged foreign currency exposures

The company has taken forward contract to hedge its risk associated with foreign currency fluctuations. The details of foreign currency exposures not hedged by derivative instruments are as under:

Nature of exposure	Exchange Rate INR/USD	In Foreign Currency - USD	Rs. In Lakhs
Trade Receivables			
As at March 31, 2025	85.48	-	-
As at March 31, 2024	83.41	90.00	0.08
Trade Payables			
As at March 31, 2025	85.48	6,64,546	568.02
As at March 31, 2024	83.41	4,81,257	401.39

Nature of exposure	Exchange Rate INR/EUR	In Foreign Currency - EUR	Rs. In Lakhs
Trade Payables			
As at March 31, 2025	92.09	3,150.00	2.90
As at March 31, 2024	89.88	3,150.00	2.83



Arvind Youth Brands Private Limited**CIN - U52100GJ2020PTC112995****Notes to the Financial Statements for the year ended March 31, 2025****Note 26 (b) : Foreign Exchange Derivative**

Particulars	Exchange Rate INR/USD	In Foreign Currency - USD	Rs. In Lakhs
Forward Purchase Contracts (maturing less than 3 months)			
As at March 31, 2025	85.48	10,84,183	926.71
As at March 31, 2024	-	-	-

Note 27 : Segment Reporting

Operating segment has been identified on the basis of nature of products and other quantitative criteria specified in Para 4 of Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") i.e, the board of directors of the Company.

The Company's business activity falls within a single operating business segment of Branded Apparels (Garments and Accessories) through Retail and Departmental Store facilities.

Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

	Rs. In Lakhs	
Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Segment Revenue*		
a) In India	43,119.80	45,798.84
b) Rest of the world	96.42	25.10
Total Sales	43,216.22	45,823.94
Carrying Cost of Segment Non Current Assets**		
a) In India	5,748.63	7,295.68
b) Rest of the world	-	-
Total	5,748.63	7,295.68

* Based on location of Customers

** Excluding Financial asset, Deferred Tax Assets and Income tax assets.

Information about Major Customers:

The Company has two customer contributing to Rs. 17,604.31 Lakhs (Previous Year, one customer contributing to Rs. 4,960.45 Lakhs) to the revenue of the Company



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Note 28 : Disclosure pursuant to Employee benefits

A Defined Contribution Plans

The following amounts are recognised as expense and included in Note 20 "Employee benefit expenses"

Particulars	Rs. In Lakhs	
	Year Ended March 31, 2025	Period Ended March 31, 2024
Contribution to Provident Fund	66.68	83.84
Contribution to Employee State Insurance (ESI)	0.10	0.40
Contributory to Labour Welfare Fund (LWF) & National Pension Scheme (NPS)	5.17	1.80
Total Contribution (refer note 20)	71.95	86.04

Note:

Employees of the Company received benefits from provident fund which is a defined contribution plan. The eligible employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

B Defined Benefit Plans

The Company has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

a) Funding arrangement and funding policy

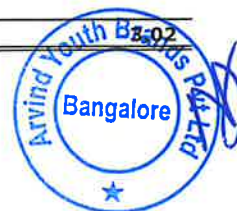
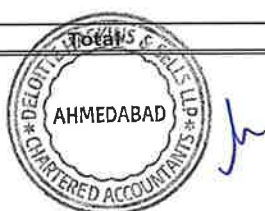
The Company has a defined benefit gratuity plan (funded) for the eligible employees and it is governed by the Payment of Gratuity Act 1972. As per the act, employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination/death or incapacitation of employment of an current employee based on the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by a Insurance managed fund - Life Insurance Corporation of India (LIC) and the Company makes contributions to LIC fund. Liability in respect of gratuity is determined based on actuarial valuation done by an actuary as at balance sheet date.

b) Asset and Liability Matching strategies

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Each year the management reviews the level of funding in the gratuity fund. Such reviews includes the asset - liability matching strategy. The management decides its contribution based on the results of its review. Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

As at March 31, 2025: Changes in defined benefit obligation and plan assets

Particulars	Rs. In Lakhs		
	Defined benefit obligation	Fair value of plan assets	Total
Balance at the beginning of the year	(121.75)	89.60	(32.15)
Gratuity cost charged to statement of profit and loss			
Current Service cost	(17.16)	-	(17.16)
Net interest (expense)/ income	(7.53)	6.45	(1.08)
Sub-total (a) included in statement of profit and loss (Note 20)	(24.69)	6.45	(18.24)
Benefits paid	54.10	(54.10)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense/income)	-	(1.32)	(1.32)
Actuarial changes arising from changes in demographic assumptions	0.09	-	0.09
Actuarial changes arising from changes in financial assumptions	1.56	-	1.56
Actuarial changes arising from changes in Experience adjustments	8.25	-	8.25
Sub-total (b) included in OCI	9.90	(1.32)	8.59
Change on Account of Inter-company transfer	24.82	-	24.82
Contributions by employer	-	20.00	20.00
TOTALS	(57.62)	60.63	2.02



Note 28 : Disclosure pursuant to Employee benefits

As at March 31, 2024: Changes in defined benefit obligation and plan assets

			Rs. In Lakhs
Particulars	Defined benefit obligation	Fair value of plan assets	Total
Balance at the beginning of the year	(107.39)	65.84	(41.55)
Gratuity cost charged to statement of profit and loss			
Current Service cost	(15.38)	-	(15.38)
Net interest (expense)/ income	(6.97)	4.81	(2.16)
Sub-total (a) included in statement of profit and loss (Note 20)	(22.35)	4.81	(17.54)
Benefits paid	30.19	(30.19)	-
Remeasurement gains/(losses) in other comprehensive income			
Return on plan assets (excluding amounts included in net interest expense/income)	-	(0.85)	(0.85)
Actuarial changes arising from changes in demographic assumptions	3.66	-	3.66
Actuarial changes arising from changes in financial assumptions	(0.76)	-	(0.76)
Actuarial changes arising from changes in Experience adjustments	(26.15)	-	(26.15)
Sub-total (b) included in OCI	(23.25)	(0.85)	(24.10)
Change on Account of Inter-company transfer	1.04	-	1.04
Contributions by employer	-	50.00	50.00
Total	(121.75)	89.60	(32.15)

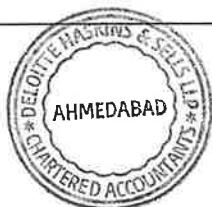
The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Discount rate (per annum)	6.50%	7.20%
Expected annual increase in Salary Cost	9.71%	10.04% for Retail Employees and 11.42% for Corporate Employees
Expected rate of return on plan assets (per annum)	6.50%	7.20%
Attrition rate (per annum)	29.50%	30.4% for Retail Employees and 29.4% for
Retirement Age	58 Years	58 Years
Mortality rate during employment	Indian assured lives Mortality(2012-04) Ult	Indian assured lives Mortality(2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

A quantitative sensitivity analysis for significant assumption is as shown below:

		Rs. In Lakhs	
Particulars	Sensitivity level	Increase / (Decrease) in defined benefit obligation (Impact)	Increase / (Decrease) in defined benefit obligation (Impact)
		Year Ended March 31, 2025	Year Ended March 31, 2024
Defined Benefit Obligation			
Discount rate	50 basis points increase	(1.02)	(1.89)
	50 basis points decrease	1.06	1.96
Salary increase	50 basis points increase	0.89	1.21
	50 basis points decrease	(0.86)	(0.60)
Attrition rate	50 basis points increase	(0.43)	(0.91)
	50 basis points decrease	0.44	0.15



Note 28 : Disclosure pursuant to Employee benefits

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Rs. In Lakhs	
	Year Ended March 31, 2025	Year Ended March 31, 2024
Within the next 1 year	11.20	30.28
Between 2 and 5 years	53.53	108.97
Beyond 5 years	64.00	96.81
Total expected payments	128.73	236.06

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Rs. In Lakhs	
	Year Ended March 31, 2025	Year Ended March 31, 2024
Gratuity	3 years	3 years

Estimate of contribution during the next annual reporting period towards Gratuity contribution by the employer is Rs. 11.20 lakhs (Previous year Rs. 30.28 lakhs). The actual contributions are made based on management estimates.

C Leave encashment

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

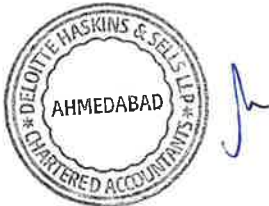
The Company has recognised following as expenses and included in Note No. 20 "Employee benefit expense".

Particulars	Rs. In Lakhs	
	Year Ended March 31, 2025	Year Ended March 31, 2024
Leave encashment	24.34	29.44
Total	24.34	29.44

Liability Recognised in Balance Sheet

Particulars	Rs. In Lakhs	
	Year Ended March 31, 2025	Year Ended March 31, 2024
a. Long Term Provisions	33.26	48.41
b. Short Term Provisions	14.98	20.94
Total	48.23	69.35

- D** The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Company towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. The Company will assess the impact of the Code and will record related impact in the period it becomes effective.



Note 29 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows :

A. Description of Relationship	Name of related party
Ultimate Holding Company	Arvind Fashions Limited
Holding Company	Arvind Lifestyle Brands Limited
Fellow Subsidiary Company	Arvind Beauty Brands Limited (Upto November 2, 2023) PVH Arvind Fashion Private Limited Value Fashion Retail Limited
Enterprise on which Non-Executive Director of holding company exercise significant influence	Arvind Limited Arvind Smart Textile Ltd Arvind Envisol Ltd
Entity and its affiliates which have significant influence over the Company	Flipkart India Private Limited Flipkart Internet Private Limited Myntra Jabong India Private Limited Myntra Designs Private Limited Utkrisht Trade Solutions Private Limited

Key Management Personnel - Relationship	Name
Non-Executive Director	Mr. Jagdish Gajanand Dalal (Upto August 10, 2023)
Non-Executive Director	Mr. Shailesh Shyam Chaturvedi
Non-Executive Director	Mr. Girdhar Kumar Chitlangia (From February 10, 2023)
Non-Executive Director	Mr. Kulin Sanjay Lalbhai (From August 10, 2023)
Chief Financial Officer	Mr. Vinayak Ishwar Hegde (From February 12, 2024 upto October 27, 2024)
Chief Financial Officer	Mr. Nikhil Agarwal (From October 28, 2024)
Chief Executive Officer	Mr. Nidhi Raj (From February 12, 2024 upto March 31, 2025)
Chief Executive Officer	Mr. Amitabh Suri (From April 01, 2025)
Nominee Director	Mr. Arief Mohamad (From January 8, 2024 upto October 14, 2024)
Nominee Director	Mr. Sandeep Subhash Karwa (Upto , January 23, 2024)
Nominee Director	Mrs. Sharon Pais (From March 29, 2024)
Company Secretary	Mr. Sachin Hegde (Upto August 25, 2023)
Company Secretary	Ms. Iris Gustuv (From October 17, 2023)



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Note 29 : Related Party Transactions

B. Disclosure in respect of Related Party transactions during the year ended 31st March, 2025

		Rs. In Lakhs	
Nature of Transaction	Name of Related Party	Year Ended March 31, 2025	Year Ended March 31, 2024
Purchases of stock-in-trade	Arvind Lifestyle Brands Limited	-	2,853.44
	Arvind Limited	4.93	1,352.28
Sale of Products	Arvind Lifestyle Brands Limited	12,591.35	2,908.77
	Flipkart India Private Limited	2,012.23	2,323.50
	Utkrisht Trade Solutions Private Limited	(20.10)	(97.84)
	Myntra Jabong India Private Limited	4,708.60	2,764.23
Business Support Service charges	Arvind Lifestyle Brands Limited	2,040.00	1,851.27
Commission and Brokerage	Arvind Lifestyle Brands Limited	-	930.81
Reimbursement of expenses	Arvind Fashions Limited	214.72	239.90
	Arvind Lifestyle Brands Limited	273.31	295.62
	PVH Arvind Fashion Private Limited	7.27	1.49
	Arvind Limited	-	3.56
Share Based Payment to Employees	Arvind Fashions Limited	5.10	8.81
Assets assumed on Inter-company transfer of employees	Arvind Fashions Limited	-	3.34
	Arvind Lifestyle Brands Limited	(39.70)	(1.60)
Interest Expense on Inter Corporate Deposits	Arvind Lifestyle Brands Limited	4.66	156.26
Intercompany Deposits taken	Arvind Lifestyle Brands Limited	2,500.00	4,000.00
Intercompany Deposits are repaid back	Arvind Lifestyle Brands Limited	-	(4,000.00)
Interest Income on net receivable	Arvind Lifestyle Brands Limited	-	20.28
Advertisement and Publicity	Flipkart Internet Private Limited	80.70	412.36
	Myntra Designs Private Limited	-	40.28
	Myntra Jabong India Private Limited	172.19	190.80

C. Disclosure in respect of Related Party balances as at 31st March, 2025

		Rs. In Lakhs	
Nature of Transaction	Name of Related Party	Year Ended March 31, 2025	Year Ended March 31, 2024
Other Receivables	Arvind Fashions Limited	-	428.52
	Arvind Lifestyle Brands Limited	-	618.70
Trade Payables	Arvind Lifestyle Brands Limited	1,109.19	-
	Arvind Limited	-	736.38
	Myntra Jabong India Private Limited	-	13.67
	Arvind Envisol Ltd	-	0.63
Other Payables	Arvind Fashions Limited	30.17	-
	Arvind Lifestyle Brands Limited	39.70	-
	Utkrisht Trade Solutions Private Limited	172.71	-
	PVH Arvind Fashion Private Limited	3.91	1.73
Contract Liability - Advance from customers	Utkrisht Trade Solutions Private Limited	-	151.40
Trade Receivables	Arvind Lifestyle Brands Limited	4,947.25	-
	Myntra Jabong India Private Limited	3,923.12	1,843.74
	Flipkart India Private Limited	3,008.84	902.73
Inter Corporate Deposits	Arvind Lifestyle Brands Limited	2,500.00	-
Advance to Supplier	Myntra Designs Private Limited	-	6.34
Value of corporate guarantee outstanding and given for borrowings and acceptances	Arvind Fashions Limited	13,500.00	13,500.00
	Arvind Lifestyle Brands Limited	13,500.00	13,500.00

D. Commitments with related parties

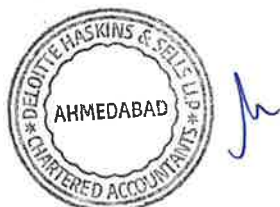
The Company has not provided any commitment to the related party as at March 31, 2025 and Previous Year - March 31, 2024

- E.** All the Non executive directors of the Company are in employment with the ultimate holding company/ holding company and they are paid remuneration by the respective entities.
- F.** Chief Financial Officer and Company Secretary is in the employment with Ultimate Holding Company and Holding Company respectively and their remuneration is paid by the respective entities.

G. Transactions with Key Management Personnel:

Compensation of key management personnel paid by of the Company		Rs. In Lakhs	
Particulars		Year ended March 31, 2025	Year ended March 31, 2024
Short-term employee benefits			
Nidhi Raj - Chief Executive Officer #		232.95	16.30
Total compensation paid to key management personnel		232.95	16.30

Short Term Employee Benefits does not include Provision for Leave Encashment and Gratuity as it is provided in the books on the basis of actuarial valuation for the Company as a whole and hence individual figures cannot be identified. The amounts are not expected to be material.



Arvind Youth Brands Private Limited**CIN - U52100GJ2020PTC112995****Notes to the Financial Statements for the year ended March 31, 2025****Note 30 : Earnings per share (Basic and Diluted)**

Particulars	Rs. In Lakhs #	
	For the Year ended March 31, 2025	For the year ended March 31, 2024
(Loss) attributable to Equity holders for Basic and diluted Earnings	(1,772.08)	(3,747.79)
Total no. of equity shares at the end of the year	11,27,01,480	11,27,01,480
Weighted average number of equity shares		
For basic and diluted EPS	No. 16,39,24,642	16,39,24,642
Nominal value of equity shares	Rs. 10	10
Basic and Diliuted earnings per share	Rs. (1.08)	(2.29)
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	11,27,01,480	11,27,01,480
Effect of dilution*	5,12,23,162	5,12,23,162
Weighted average number of equity shares adjusted for the effect of dilution	16,39,24,642	16,39,24,642

*As per Para 23 of Ind AS 33, potential equity shares issued on conversion of CCPS shall be considered for computing basic EPS. For the current and previous year potential shares to be issued on conversion has been considered as per the terms of conversion agreed during the financial year 2022-23. Also refer note 11 (b) for terms of conversion of CCPS.

#All numbers are in Rs. Lakhs except weighted average number of equity shares, nominal value of Shares and Basic and Diluted EPS



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Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year ended March 31, 2025

Note 31 : Leases

- A.** The Company has taken Retail Showrooms, warehouses and other facilities on lease period of 1 to 9 years with an option of renewal. Disclosures as per Ind AS 116 - Leases are as follows:

B. Changes in the carrying value of right of use assets (Showrooms & Warehouse)

Rs. In Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As at beginning of the year	6,506.45	5,032.78
Additions / renewal during the year	1,114.18	3,528.76
Termination/ withdrawal during the year	(1,136.24)	(293.31)
Depreciation for the year (refer note 22)	(1,829.60)	(1,761.78)
Balance at the end of the year	4,654.79	6,506.45

C. Movement in lease liabilities

Rs. In Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
As at beginning of the year	7,122.50	5,529.74
Additions / renewal during the year	1,063.22	3,444.90
Termination/ withdrawal during the year	(1,300.87)	(366.31)
Finance cost accrued during the year (refer note 21)	708.36	695.86
Payment of lease liabilities	(2,278.98)	(2,181.69)
Balance at the end of the year	5,314.23	7,122.50

D. Contractual maturities of lease liabilities

The undiscounted Maturity analysis of lease liability over the remaining lease term

Rs. In Lakhs

As at 31st March, 2025	Undiscounted Lease Payment	Interest Expense	Discounted Lease Payments
Less than one year	2,076.97	454.81	1,622.16
One to five years	4,035.86	650.90	3,384.96
More than five years	331.94	24.83	307.11
Total	6,444.77	1,130.54	5,314.23

Rs. In Lakhs

As at 31st March, 2024	Undiscounted Lease Payment	Interest Expense	Discounted Lease Payments
Less than one year	2,253.80	671.43	1,491.13
One to five years	6,330.76	1,422.12	4,908.64
More than five years	859.33	136.60	722.73
Total	9,443.89	2,230.15	7,122.50

- E.** The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

F. Disclosure of (income)/expenses related to Leases recognised in statement of profit and loss:

Rs. In Lakhs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on Right-of-use assets (refer note 22)	1,829.60	1,761.78
Interest Expense on Lease Liability (refer note 21)	708.36	695.86
Short Term Leases and Leases of low-value assets (refer note 23)	74.18	150.57
Gain on Reassessment of Lease liability and ROU assests (net) (refer note - 17)	(164.63)	(73.00)
Total	2,447.51	2,535.21



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Note 32 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
(A) Financial assets		
(i) Measured at amortised cost		
Trade receivables (refer note 7(a))		
Carrying Amount	12,317.26	6,566.43
Fair Value	12,317.26	6,566.43
Security Deposits (refer note 7(e))		
Carrying Amount	726.07	700.27
Fair Value	726.07	700.27
Cash and Cash equivalents (refer note 7(b))		
Carrying Amount	27.44	58.38
Fair Value	27.44	58.38
Bank Balance other than Cash and Cash equivalents (refer note 7(c))		
Carrying Amount	101.58	22.70
Fair Value	101.58	22.70
Loan to employees (refer note 7(d))		
Carrying Amount	5.12	5.40
Fair Value	5.12	5.40
Other Financial Assets (refer note 7 (e))		
Carrying Amount	63.36	1,057.18
Fair Value	63.36	1,057.18
Total Financial Assets (A)		
Carrying Amount	13,240.83	8,410.36
Fair Value	13,240.83	8,410.36
(B) Financial liabilities		
(i) Measured at amortized cost		
Borrowings (refer note 13 (a))		
Carrying Amount	10,314.39	7,674.38
Fair Value	10,314.39	7,674.38
Trade Payables (refer note 13 (b))		
Carrying Amount	13,626.35	10,890.16
Fair Value	13,626.35	10,890.16
Other Financial Liabilities (refer note 13 (c))		
Carrying Amount	1,887.26	2,007.19
Fair Value	1,887.26	2,007.19
Leases (refer note 31)		
Carrying Amount	5,314.23	7,122.50
Fair Value	5,314.23	7,122.50
Total Financial Liabilities (B)		
Carrying Amount	31,142.23	27,694.23
Fair Value	31,142.23	27,694.23

The management assessed that the fair values of cash and cash equivalents, loans, trade receivables, other financial assets, trade payables and other current financial liabilities approximate equivalent to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. As none of the assets and liabilities are measured at fair value as at March 31, 2025 and March 31, 2024, no further disclosure is required for fair valuation methods and assumptions considered in determining fair value.



Arvind Youth Brands Private Limited

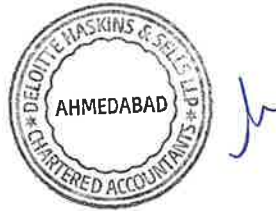
CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year ended March 31, 2025

Note 33 : Going Concern

The Company has accumulated losses of Rs. 21,092.16 lakhs as against shareholders' funds of Rs. 25,792.97 lakhs (including Compulsory Convertible Preference Shares Rs. 14,522.82 lakhs) as at March 31, 2025, which result into substantial reduction in Company's Net Worth. Also, the Company has incurred cash losses of Rs. 1,378.01 lakhs in current financial year and also incurred losses of Rs. 3,076.55 lakhs in previous financial year. Additionally, the Company's Debt Equity Ratio is 2.19:1 as at March 31, 2025 and have negative Debt Service Coverage Ratio of 0.68 for the financial year ended on March 31, 2025.

As per the management, there are no intention of curtailing the scale of Company's operations in the coming future years. Further, the Company has been able to meet its obligations in the ordinary course of business through expectation of improvement in its operational performance and by the continuing financial support offered from the Ultimate Parent Company, Arvind Fashions Limited and company having additional facilities from the lenders. Further, as per the business plan of the Company for next 12 months - 3 years, the Company will turn into profitable in due course and aforesaid indicative factors will be improved. Accordingly, these financial statements have been prepared assuming that the Company will continue as a going concern.



Note 34 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise short-term borrowings, trade payables & other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets include trade and other receivables and cash & short-term deposits that derive directly from its operations.

In the ordinary course of business, the Company is mainly exposed to market risk, credit risk and liquidity risk. The Company's risk management activities are subject to the management, direction and control of Central Treasury Team and Senior Management of ultimate holding Company i.e., Arvind Fashions Limited (AFL), under the framework of AFL Group's Risk Management Policy approved by the Board of Directors of the ultimate holding company. AFL's Central Treasury Team and Senior Management ensure appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the AFL's policies, risk objectives and support. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, trade payables and other payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies and other variables are constant as at March 31, 2025. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2025 and March 31, 2024;
- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%;

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2025, the Company's Short-term Borrowings of Rs. 10,314.39 lakhs (Previous year Rs. 7,674.38 lakhs) are at variable rate of interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of short term borrowings affected. With all other variables held constant, the Company's loss before tax for the year is affected through the impact on floating rate borrowings, as follows:

Particulars	Rs. In Lakhs	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Effect on loss before tax for the year		
Increase in 50 basis points	(39.07)	(38.37)
Decrease in 50 basis points	39.07	38.37

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD and EURO. The Company has foreign currency trade payables and receivables, therefore, exposed to foreign exchange risk. As disclosed in Note 26, the Company has hedged its foreign currency exposure outstanding as at March 31, 2025.



Arvind Youth Brands Private Limited**CIN - U52100GJ2020PTC112995****Notes to the Financial Statements for the year ended March 31, 2025****Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency rates to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax and pre-tax equity is due to changes in the fair value of monetary assets and liabilities.

Rs. In Lakhs		
Particulars	Change in USD rate	Effect on profit before tax for the year ended
Trade Payable		
March 31, 2025	+2%	(11.36)
	-2%	11.36
March 31, 2024	+2%	(8.03)
	-2%	8.03

Rs. In Lakhs		
Particulars	Change in EUR rate	Effect on profit before tax for the year ended
Trade Payable		
March 31, 2025	+2%	(0.06)
	-2%	0.06
March 31, 2024	+2%	(0.06)
	-2%	0.06

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Company is exposed to credit risk from its operating activities (primarily trade receivables and dues from franchisee operators) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by business brand team subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date Based on the risk profiling for each category of customer, the Company has not evaluated credit risk where the risk is mitigated by collateral. The Company has therefor evaluated credit risk on individual basis for key customers and on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company follows the simplified approach method for computing the expected credit loss. The risk is categorised into high, low and moderate category basis internal and external parameters. Any customer related specific information has been factored over and above the probability of default (PD). Provision matrix takes into account historical credit loss experience adjusted for forward-looking estimates and macro-economic factors. As per the approved policy of the Company, the expected credit loss allowances is based on the ageing of the days receivables are overdue and rates prescribed under the policy on receivables outstanding as at reporting date net of provision for discount and refund liabilities. For movement in Credit loss allowances on trade receivables, refer note 7(a) (x).



Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year ended March 31, 2025**Concentration of Credit Risk**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Considering the Company's business operations, as at March 31, 2025, the Company has 10 customers (March 31, 2024: 10 customers) that owed the Company and accounts for approximately 58% (March 31, 2024: 76%) of total outstanding trade receivables.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by AFL's Central Treasury Team in accordance with the Company's policy. Investments of surplus funds from operations that are not required for immediate utilisation are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties.

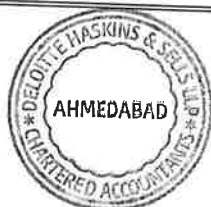
In respect of risk exposure of Financial assets other than trade receivables, the Company doesn't expect any losses from increase from credit risk/credit impairment of the counter parties apart from those already provided in financial statement and does not have any risk or significant concentration of exposure to specific party, country or industry.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including short-term borrowing for working capital requirements, trade credits, from banks and financial institutions at an optimised cost. The Company also have support from Parent and Ultimate Parent Company to manage its financial obligations and meet deficit due to losses.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

Particulars	On Demand or less than 1 year	Over than 1 year within 5 years	Over 5 years	Rs. In Lakhs Total carrying amount
As at March 31, 2025				
Interest bearing borrowings (refer note 13 (a))	10,314.39	-	-	10,314.39
Lease Liabilities (refer note 31)	2,076.97	4,035.86	331.94	6,444.77
Trade payables (refer note 13 (b))	13,626.35	-	-	13,626.35
Other financial liabilities (refer note 13 (c))	656.83	1,241.13	-	1,897.96
Total	26,674.54	5,276.99	331.94	32,283.47
Particulars	On Demand or less than 1 year	Over than 1 year within 5 years	Over 5 years	Rs. In Lakhs Total carrying amount
As at March 31, 2024				
Interest bearing borrowings (refer note 13 (a))	7,674.38	-	-	7,674.38
Lease Liabilities (refer note 31)	2,253.80	6,330.76	859.33	9,443.89
Trade payables (refer note 13 (b))	10,890.16	-	-	10,890.16
Other financial liabilities (refer note 13 (c))	439.69	1,567.50	-	2,007.20
Total	21,258.03	7,898.26	859.33	30,015.63



Arvind Youth Brands Private Limited**CIN - U52100GJ2020PTC112995****Notes to the Financial Statements for the year ended March 31, 2025****Note 35 : Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and subordinated equity (CCPS) and all other equity reserves attributable to the equity holders of the Company and exclude preferred stocks. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions or its business requirements due to operational losses. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is common stock holder's equity divided by total borrowings. Total borrowings comprises short term borrowings and lease liabilities reduced by cash and short-term deposits (including other bank balance).

Particulars	Rs. In Lakhs	
	As at March 31, 2025	As at March 31, 2024
Short - term Borrowings (Note 13(a))		
Lease Liabilities (Note 31)	10,314.39	7,674.38
Less: Cash and Cash equivalent (including other bank balance)	5,314.23	7,122.50
Fixed Interest bearing funds	(129.02)	(159.96)
	15,499.60	14,636.92
Equity share capital (Note 11A)		
Compulsory Convertible Preference Shares (CCPS) (Note 11B)	11,270.15	11,270.15
Other equity*	14,522.82	14,522.82
Total capital	(21,092.15)	(19,331.60)
Gearing ratio	4,700.82	6,461.37
	329.72%	226.53%

* Other equity comprises Retained earnings, capital reserves excluding charge for change in fair valuation of CCPS.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the Short-term borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest or immediately call borrowings. There have been no breaches in the financial covenants of borrowing as at March 31, 2025. To meet its future financial obligation, due to operational losses, the company has obtained financial support letter from its holding company apart from business plan which is sustainable over the years.



Arvind Youth Brands Private Limited**CIN - U52100GJ2020PTC112995****Notes to the Financial Statements for the year ended March 31, 2025****Note 36 : Share based payments**

Arvind Fashions Limited (AFL), the Ultimate holding company (AFL) has instituted has instituted Employee Stock Option Scheme 2016 ("ESOP 2016") and Employee Stock Option Scheme 2022 ("ESOP 2022") pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and September 26, 2022 respectively. Up to March 31, 2025, Under ESOP 2016, the outstanding options granted to the employees of the Company as at March 31, 2025 is 31,000 (Previous year -33,000) and 2,000 (Previous year 2,000) options has been exercised by the employee. Under ESOP 2022, the outstanding options granted are 5000 (Previous year – nil) which have been granted in current year to eligible employees as per the terms of the Scheme. Each ESOP is convertible into equal number of equity shares of face value of Rs 4 each.

Expense arising from share- based payment transactions

The Company receives expenses charge for cost of employee option plan. Total expenses arising from share- based payment transactions recognised in profit or loss as part of employee benefit expense were as follows :

Particulars	Rs. In Lakhs	
	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Employee option plan (refer note 20)	5.10	8.81
Total share based payment to employees	5.10	8.81

Note 37 : Audit Trail

The Ministry of Corporate Affairs(MCA) has issued a notification(Companies(Accounts) Amendments Rules,2021) which is effective from April 01,2023, State that every Company which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. Further no instance of audit trail feature being tampered with was noted and the audit trail has been preserved by the Company as per the statutory requirements for record retention for accounting software used by Company during the year.

Note 38 : Other Statutory Information as per Revised Schedule III

a. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b. The Company do not have any transactions with companies struck off under section 248 of the companies act 2013 or section 560 of the companies act 1956.

c. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

d. Utilisation of borrowed funds and share premium

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below.

e. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

f. The Company has complied with the number of layers specified under clause (87) of section 2 of the act read with the Companies (Restriction on Number of layers) Rules, 2017.

g. The Company is not a core investment company as defined in the regulations made by the Reserve Bank of India

h. There are no charges or satisfaction which is yet to be registered with ROC Beyond the statutory period.

i. The Company has not been declared wilful defaulter by any bank or financial institution or other lender



Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

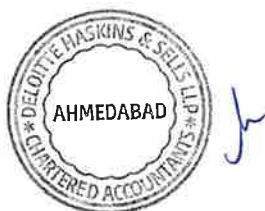
Notes to the Financial Statements for the year ended March 31, 2025

Note 39 : Recent Pronouncements

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases , relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements. On May 9, 2025, MCA notifies the amendments to Ind AS 21 - Effects of Changes in Foreign Exchange Rates. These amendments aim to provide clearer guidance on assessing currency exchangeability and estimating exchange rates when currencies are not readily exchangeable. The amendments are effective for annual periods beginning on or after April 1, 2025. The Company is currently assessing the probable impact of these amendments on its financial statements.

Note 40 : Corporate Social Responsibility (CSR) :

As per Section 135 of the Companies Act, 2013 read with rules thereunder, the Company is not liable to incur CSR expense as per requirement of Section 135 of Companies Act, 2013 in views of Average Net losses for past three Financial years.



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year ended March 31, 2025

Note 41 : Ratio Analysis

Sl No	Particulars	Numerator	Denominator	For the year ended 31st March, 2025	For the year ended 31st March, 2024	% Variance	Reason for Variance
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.10	1.25	-12%	Not Applicable
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	2.19	1.19	84%	Note (a) below
3	Debt Service Coverage Ratio (In times)	Earnings before Interest, Tax, Depreciation and amortisation	Debt Service	0.68	0.13	423%	Note (b) below
4	Return on Equity Ratio (%)	Net Profit after Tax	Average Equity	-31.75%	-44.94%	29%	Note (b) below
5	Inventory turnover Ratio (In times)	Revenue from Operations	Average Inventories	2.18	1.75	25%	Not Applicable
6	Trade Receivables turnover Ratio (In times)	Revenue from Operations	Average Trade Receivables	4.58	6.02	-24%	Not Applicable
7	Trade Payables turnover Ratio (In times)	Purchase of Goods	Average Trade Payables	3.89	4.13	-6%	Not Applicable
8	Net capital turnover Ratio (In times)	Net Sales	Working Capital	16.13	8.65	86%	Note (c) below
9	Net profit Ratio (%)	Net Profit after Tax	Revenue from Operations	-4.10%	-8.18%	50%	Note (a) below
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and Tax	Total Capital Employed	3.11%	-11.71%	127%	Note (a) below
11	Return on Investment (%)	Income during the year	Time Weighted Average of Investment	6.69%	6.27%	7%	Not Applicable

Notes :

- (a) Increase in Debt in current year as compared to previous year.
(b) Increase in net profit after tax as compared to previous year.
(c) Reduction in working capital compared to previous year.



Note 42 : Reclassification of Comparative Information

During the current year, the Company has reclassified certain items in the Statement of Profit and Loss and Balance Sheet to enhance the presentation and alignment with the industry practices. The comparative figures for the previous year have been reclassified accordingly. The details of such reclassifications are as follows:

Balance Sheet

Rs. In Lakhs

Particulars	Amount of Reclassification	As reclassified	Reason for Reclassification
Refundable Liability	4,149.39	Trade Receivables	Financials restated to be aligned with the financials of Ultimate Holding Company
Provision for Schemes and Discounts	1,339.30	Trade Receivables	
Tender cash and Card receivables	178.88	Other receivables	
Vendor Bill discounting	5,419.31	Acceptance - Trade Payables	

Statement of Profit and Loss

Rs. In Lakhs

Particulars	Amount of Reclassification	As reclassified	Reason for Reclassification
Changes in Returnable assets	178.95	Changes in inventories of stock-in-trade including Returnable Assets	Financials restated to be aligned with the Current year grouping
Contract Labour Charges	67.84	Outsourced services	
Cost of trims and Accessories consumed	126.69	Purchases of stock-in-trade	Financials restated to be aligned with the financials of Ultimate Holding Company



Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year ended March 31, 2025

Note 43 : Code of Social Security, 2020

The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Company towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. The Company will assess the impact of the Code and will record related impact in the period it becomes effective.

Note 44 : Events occurring after the reporting period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 16, 2025, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

**For and on behalf of the board of directors of
Arvind Youth Brands Private Limited**


Girdhar Chitlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 16, 2025


Iris Gustuv
Company Secretary

Place : Bengaluru
Date : May 16, 2025




Sharon Pais
Director
(DIN: 09200488)

Place : Bengaluru
Date : May 16, 2025


Nikhil Agarwal
Chief Financial Officer

Place : Bengaluru
Date : May 16, 2025

